

## **SWITZERLAND COUNTRY COMMERCIAL GUIDE FY 2002**

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### 1: EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Switzerland's commercial environment using economic, political and market analyses. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. government agencies.

Switzerland is a small, highly developed, multilingual market situated at the crossroads of Europe. Its population of slightly more than 7 million people (including approximately 20% non Swiss) is culturally diverse, well-educated and affluent. It consistently ranks high on quality of life indices, including highest per capita income, one of the highest concentration of computer and Internet usage per capita, highest insurance coverage per individual, high literacy and health care rates. For these and many other reasons, it also serves as an excellent test market for businesses hoping to introduce new products into Europe.

Following several years of stagnation lasting from 1991-1997, the Swiss economy experienced its strongest GDP growth in a decade registering 3.4 percent in 2000. The unemployment rate for the year averaged under 2 percent. Economic performance is expected to remain solid in the near term, though a cooling from the high of 2000 is certain.

The first full year of cooperation under the U.S.-Swiss Joint Economic Commission (2000-2001) invigorated bilateral ties by recording achievements in a number of areas, including consultations on anti-money laundering, an e-government conference, pharmaceutical regulatory cooperation and reestablishment of the Fulbright student/cultural exchange program.

Bilateral trade with Switzerland increased again during 2000, improving by 10% from 1999, and surpassed \$20 billion for the first time. The resurgent Swiss recovery, combined with the strong reputation U.S. products and services enjoy among the Swiss, suggests that 2001 will be a period of exceptional opportunities for American companies in this market.

Trade has been the key to prosperity in Switzerland. The country is dependent upon export markets to generate income while dependent upon imports for raw materials and to expand the range of goods and services available in-country. Switzerland has liberal trade and investment policies and a conservative fiscal policy. The Swiss legal system is highly developed, commercial law is well defined, and investments are protected by solid laws and policies. The Swiss franc is one of the world's soundest currencies and the country is known for its high standard of banking and financial services.

A highly skilled, motivated workforce, laws promoting labor flexibility, and collective bargaining agreements between trade unions and employers' associations have meant very little labor unrest. The machinery, metals, electronics, and chemicals sectors are world-renowned for precision and quality. Together they account for well over half of Swiss export revenues. In agriculture, Switzerland is about 60 percent self-sufficient and imports about \$5 billion of agricultural products annually. Swiss farmers are one of the most highly protected and subsidized groups of producers in the world. The U.S. share of the Swiss agricultural import market is currently quite small but the steady application of WTO rules should gradually improve the situation.

Tourism, banking, engineering and insurance are significant sectors of the economy and heavily influence the country's economic policies. Swiss trading companies have unique marketing expertise in many parts of the world, including Eastern Europe, the Far East, Africa and the Middle East. Not only does Switzerland have highly-developed tourism infrastructure (making it a good market for tourism-related equipment and services), but the Swiss are also intrepid travelers. Per capita, more Swiss visit the United States than from any other country. Tourism is the most important U.S. export to Switzerland (earning almost \$2 billion). In 2000, over 400,000 Swiss went to the U.S. as tourists -- and for the majority, it was not the first visit!

Switzerland is the seat of many international, inter-governmental or private organizations ranging from the United Nations and associated organizations to CERN (the European Laboratory for Particle Physics), the International Red Cross and the International Olympic Committee. Switzerland is also a base for many multinational corporations. Switzerland is one of the most multilingual countries in Europe: German (64 percent of the population), French (19 percent), Italian (8 percent), other (9 percent with 1 percent Romansch). English is widely understood and utilized in the business environment.

## 2: ECONOMIC TRENDS AND OUTLOOK

### - Major Trends and Outlook

During most of the 1990's, the Swiss economy was Western Europe's weakest, with annual GDP growth averaging 0 percent between 1991 and 1997. The economic recovery, however, which began during the second half of 1997, has steadily gained momentum. 2000 registered the strongest GDP growth in a decade at 3.4 percent. Being so closely linked to the economies of Western Europe and the U.S., Switzerland has not been able to escape the slowdown being experienced in these countries. Thus far in 2001, the rate of growth has fallen from the highs experienced last year and growth for the entire year is expected to be in the area of about 1.6 percent. Economic growth is expected to continue at about the same 2.0 percent pace for 2002 -- the rate most economists see as the economy's average long term growth potential.

Measures to reduce budget deficits at all three levels of government (federal, cantonal, local) will keep government spending fairly flat during 2001-2002. A constitutional amendment passed in 1998 requires that from 2001 onward, the Swiss federal budget must essentially be balanced (deficits can not exceed one percent of government spending). The government is on track to reach this target, but due to this restraint, it is estimated that government spending will contribute little to Swiss GDP growth during the next two years.

The economic stagnation experienced from 1991 to 1997 had a major impact on the labor market. Over this period, 255,000 jobs (aggregated as full-time job equivalents) were lost. To the surprise of most forecasters, however, the unemployment situation improved dramatically from a rate of 5.7 percent in February 1997 (the highest in decades) to 1.6 percent in June of 2001.

#### - Principal Growth Sectors

As a country with no significant natural resources, Switzerland has had to concentrate on the manufacturing and service sectors. The outlook for the near term is as follows:

**Manufacturing:** With the Swiss economy having emerged from the doldrums of the 1990's, virtually all sectors of the economy are anticipating respectable earnings and prospects for the near future. Switzerland's important machinery industry, together with metals and electronics, employs 9 percent of the country's workforce and normally contributes around 40 percent to Swiss export revenues and will continue to be vitally important to the health of the Swiss economy. During 2000 the best performers in terms of earnings and sales were information technology, telecommunications, and pharmaceuticals/chemicals and these sectors are likely to be the shining stars of the Swiss economy for at least the next few years (though telecoms has been affected by the global downturn in this industry during 2001). The closely tracked watch industry (which is 95 percent dependent on exports and has captured 50 percent of the world market) had a banner year in 2000, thanks to Switzerland's hold on the lucrative high-end segment and the perennial popularity of the low-end, but hugely popular "Swatch" line. The industry reports that order books remain quite full and the current global slowdown is expected to have only a modest and very temporary impact on the sector.

**Services:** The Swiss services sector is dominated by the banking and insurance industries. Within the banking sector, private banks followed by commercial banks have been exhibiting the greatest growth potential. The banking sector has been effected by the downturn in global and especially U.S. equity markets as customers' demand for equity trading falls off. Nonetheless, both commercial and private banks appear to be maintaining respectable revenue and profit levels, even as growth in assets under management stagnates somewhat. Mutual funds and institutional investors have gained in international importance, and growth in these areas will also benefit Swiss banks which have moved aggressively into these sectors. Given their strong global position, Swiss banks stand to gain more than their share from increases in world trade and industrial activity, particularly once growth picks up again in the U.S. and European economies.

The insurance industry is equally important for Switzerland, and the Swiss are the most-insured people in the world. There are well over 100 insurance companies in the country, approximately 10 percent of which specialize solely in the reinsurance business;

of the latter, Rueckversicherung ("SwissRe") is the world's second-largest reinsurance company. Swiss insurance companies have been consistently strong performers.

**Agriculture:** In recent decades, agriculture has lost its relative importance in the Swiss economy (though not in society or politics), and preservation in its current form has been due largely to governmental intervention and support. The Swiss system for protecting and aiding its farmers is now undergoing reform, both to reduce budgetary outlays and in response to pressure from consumers and Switzerland's trading partners. The Uruguay Round agreements require Switzerland to eliminate non-tariff barriers, reduce export subsidies, make binding commitments on its schedule of agricultural tariffs, and decrease levels of domestic support payments. Consequently, the Swiss agricultural sector will gradually become more responsive to market forces and open to foreign goods. U.S. agriculture exports have shown solid growth in recent years, though resistance to foods containing GMOs and hormones is growing.

#### - Government Role in the Economy

Switzerland has a market economy based on the principles of free enterprise. Freedom of trade and industry are guaranteed by the Federal Constitution and, apart from the agriculture sector, state intervention is minimal. Government policy is primarily aimed at providing the economy with a favorable framework -- stable currency and prices, an efficient infrastructure, and training that will yield the skills required in the global economy.

Under Switzerland's federal, cantonal and communal system of governing, the federal government has responsibility for foreign affairs, internal and external security, transportation, energy, environment, customs, communications, and monetary control, while the cantons largely control other state functions such as education and justice matters. In many areas, the federal government simply legislates and supervises, while the 26 cantons implement the legislation. The cantons enjoy a high degree of administrative authority, with their own constitutions and laws. The communes, of which there are over 3,000, also enjoy a high degree of independence. They have considerable control over local issues, and even collect taxes. All three levels of government have little direct involvement in the economy.

Indirect involvement is evident in the extensive number of government regulations, especially at the local level. Building codes, regulated hours of establishment, labor laws, zoning ordinances, environmental regulation (for instance, garbage control), noise codes and administered prices are examples of areas where rules and regulations are more pervasive than in the United States. Mandatory health insurance is a typical example of the Swiss approach to government involvement in the economy: insurance and health care are provided privately, but the government requires employees to have the insurance (and subsidizes those who cannot afford it).

While government regulation is generally quite extensive, in the area of competition law the situation was previously the opposite. Cartels were openly permitted, and could only be broken up when the government succeeded in proving that they were socially and economically harmful -- a daunting challenge that the government rarely took up. In 1996 a new law went into effect which strengthened the government's hand to dismantle harmful cartels and to block anti-competitive mergers, shifting the burden of proof to firms that may be engaged in cartel-like activities. However, by American (or European

Union) standards, even the '96 law is relatively weak. The Economic Department is seeking enactment of new legislation (which has already been drafted) that would further strengthen Switzerland's anti-trust regime by allowing punishment for first offenses, imposing harsher penalties for violations, and eliminating the industry and labor representative seats on the Commission.

Another anomaly is the agricultural sector. To protect its farmers and ensure a significant amount of self-sufficiency in food production, the government has developed a complex system of protection which effectively limits imports of any domestically produced products, particularly dairy and grains. The Swiss constitution provides the foundation for agricultural policy. The two primary objectives are preservation of a viable farm sector and stockpiling to ensure availability of food. Swiss producers, particularly those in Alpine and other difficult zones, are heavily supported. Overall, approximately 80 percent of gross farm income can be attributed to government intervention. Milk price support is one of the main ways that farmers are assisted, and while milk prices were lowered modestly in 1999, they remain significantly higher than EU prices.

#### - Balance of Payments Situation

Trade balance and current account: According to the Swiss National Bank (SNB): Switzerland's current account surplus increased by SF 7.4 billion to SF 52.4 billion in 2000 (\$ 4.4 billion to \$ 31.0 billion). This latter figure is equivalent to 12.9 percent of GDP -- the highest such percentage among OECD countries. This represents a 16.5 percent increase over 1999's figure of SF 45.0 billion (\$26.6 billion), or 11.6 percent of GDP. In value terms, exports of goods rose by 10.6 percent and imports by 13.4 percent. The balance of trade showed a modest deficit of SF 2.1 billion. The surplus from services increased by SF 2.8 billion to SF 22.6 billion (\$13.4 billion) over the 1999 figure. Investment earnings from abroad rose by SF 8.8 billion (\$5.2 billion) to 47.1 billion (\$27.9 billion), due to improved net earnings on both portfolio and foreign direct investments.

Capital account: The SNB reports that in 2000, the capital account deficit decreased by 1.1 percent to SF 56.7 billion (\$ 33.6 billion). Switzerland continues to spend more on foreign direct investment annually than it receives; in 1999, Switzerland's outflows of FDI totaled SF 54.0 billion (\$32.0 billion), while FDI inflows totaled SF 17.1 billion. (note: The SNB FDI figures are historical values for flows, but book values for FDI stocks)

#### - Infrastructure

Switzerland's infrastructure is modern and well-developed. The country has an extremely dense and efficient rail network, an extensive road system (honeycombed with tunnels to cope with the mountainous terrain), two major international airports (Zurich and Geneva) and a few smaller airports with international connections (Basel, Bern, Lugano). Switzerland has a state-of-the-art maritime transport network with some 30 ocean-going vessels, and carries out river-borne cargo services with connections to the North Sea via tugs and barges on the Rhine river. The port of Basel is a major terminus for goods handling, with efficient connections between rail, road and water. Custom-bonded warehouses and duty free areas exist in and around all major cities.



Switzerland has very high computer usage rates. Internet and cellphone usage rates are among the highest in Europe and cable television reaches some 95 percent of the population.

Liberalization during the '90s led to the separation of the postal and telephone services in Switzerland. The core services of Swiss Post are letters, parcels and express mail, payment transaction and road-based passenger transport. Swiss Post currently has 3,500 post offices nationwide with 55,000 employees. On average, they process some 600,000 parcels (82% market share) and 10 million letters (85% market share) a day. According to the result of an independent external study, which is regularly conducted on behalf of the International Post Corporation (ICP), an association of 21 leading international postal administrations, Swiss Post is a leader in terms of letter delivery times in Europe. It also handles deposit and payment transactions for the 1,9 million people in Switzerland who have a postal giro account. It hopes to remain number one in its home market and in international transactions with Switzerland. It acts in accordance with the rules of the free market economy and measures itself by its commercial success. This includes an appropriate level of profitability to ensure its own funding and to achieve a continuing increase in the value of the business. Swiss Post is seeking to develop new sources of growth with innovative products and services such as direct marketing, logistics solutions, financial services and e-business. However, as a cost cutting measure, Swiss Post has announced that it will have to close some of its post offices in Switzerland, possibly up to 500 offices, most in very small villages.

Parcel Post in figures; Average daily traffic:

- 600,000 parcels
- 74 trains
- 910 containers
- 50,000 rail kilometers
- 635 lorries
- 1,200 delivery vehicles
- 25,000 vehicle kilometers

International courier services are in the Swiss market (UPS, FedEx, DHL) but are restricted currently to the transport of parcels into and out of Switzerland.

Currently, Swiss Post has a market share of 80% in the payment of personal and business invoices. It also offers saving accounts, investment funds and life insurance solutions. The financial arm of Swiss Post, Postfinance, has been steadily growing in the past years. With their "pop" advertising campaigns, they have been very successful in approaching Swiss youth. Postfinance is an independent organization responsible for its own profits/losses with Swiss Post. Since Postfinance's founding, the payment of bills through the postal system has carved out a position for itself without monopoly protection and in direct competition with banks.

Yellow trade is the innovative Internet banking system by Postfinance. It gives 24 hours access to all yellow post account holders, 7 days a week. The new Postfinance online trading offers to trade securities on the leading stock exchanges, with extremely attractive brokerage rates and without any custody account fees. Registered yellowtrade users profit from free SWX and Virt-x realtime rates and up-to-date news and information about finance and the economy.

Swiss Post International possesses one of the most extensive distribution networks in the world. Their future-oriented and flexible IT solutions are totally integrated in the global networks of the Swiss Post International's partners. Their subsidiaries in the UK, Italy, France, Germany and the USA reinforce their international appeal.

Postbus Switzerland, a decentralized organization, is a company on the move. What began in the last century with the mail coaches has developed into the biggest operator in regional public transport on the roads. The introduction of the revised railway legislation in 1996 redefined duties and areas of responsibility within the Swiss regional public transport system. Postbus has become the leading provider of regional public road services for passenger transportation and acts as a system provider and operator as well as a public transport contractor and provider of tourist transport services.

Postbus in figures:	1999	2000
Number of postbus routes	716	716
Length of network (Km)	8,500	8,500
Number of vehicles	1,879	1,945
Passengers conveyed (millions)	92,9	94,4
Kilometers covered (millions)	80,3	82,6
Passenger kilometers (billions)	1,5	1,5
Market share of regional public road transport (%)	51	54
Total revenue \$ (millions)	278	284

The Swiss communication market was reshaped by the liberalization actions in 1998. Over 130 carriers now compete with Swisscom in all areas of telecommunication services, although Swisscom will remain the largest service provider for years to come. The "last mile" has not been liberalized and remains under the control of Swisscom.

Hydroelectric energy is Switzerland's natural, main source of power due to its location in the Alps. About 59 percent of its electric power output comes from hydroelectric plants and about 39 percent from nuclear generating plants. Future energy needs most likely cannot be met by new hydroelectric plants, due to constraints imposed by environmental and political factors. The oldest nuclear plants will reach the end of their cycle in 15-20 years. An active debate is on-going over the role of renewable energy in meeting the future needs of Switzerland.

### 3: POLITICAL ENVIRONMENT

#### - Nature of Political Relationship with the United States

U.S. relations with Switzerland are strong, having significantly recovered from the strains resulting from investigations into Swiss handling of WWII Holocaust-era assets (i.e., dormant bank accounts and Nazi gold). The U.S. Government welcomes the Swiss government's growing international engagement. In recent years, Switzerland has been increasingly active in multilateral fora dealing with finance, export controls/nonproliferation, refugees, law enforcement, human rights, and trade, to name only a few.

#### - Major Political Issues Affecting Business Climate

In the wake of the Swiss voters' rejection of the European Economic Area (EEA) Agreement in 1992, the Swiss federal government set its sights on negotiating bilateral sectoral agreements with the European Union. After more than four years of negotiations, an agreement covering seven sectors (including land/air transport, agriculture and free movement of persons) was achieved at the end of 1998 and the Swiss population and parliament officially endorsed the so-called "bilaterals" during 2000. The agreements also must be ratified by the Parliaments of all 15 EU members, a process which is expected to be completed sometime during 2002. The Swiss federal government is committed to EU membership as a long term goal. However, a March 2001 vote showed that over 70 percent of the voters rejected rapid steps toward EU membership and the issue appears to be shelved for several years. The population remains divided on the issue. The government has formally begun efforts to have Switzerland join the UN, which could be achieved during 2003 if a popular initiative passes.

U.S. companies doing business in and with Switzerland have not, to date, indicated any direct business problems associated with Switzerland's non-membership in the EU. U.S. companies already acclimated to EU business practices and regulations should experience no difficulties in Switzerland, as the underlying Swiss goal has been to make its trading/economic environment as compatible as possible with that of the EU while still maintaining Swiss political and economic independence. The bilaterals with the EU will bring Switzerland's economy into even greater conformity with that of the EU.

- Brief Synopsis of Political System, Schedule for Elections, and Orientation of Major Political Parties

Switzerland has a relatively weak federal government and no recent tradition of strong executive leadership wielded by a single individual. Many executive and administrative powers are vested in the 26 cantonal governments rather than in the federal government in Bern. Federal executive decision-making is undertaken by the seven-member Federal Council (cabinet). Its members head the various federal departments: Finance, Foreign Affairs, Justice, Economics, Interior, Transportation (along with Energy and Environment), and Defense (combined with Sports). The largely ceremonial position of President of the Federal Council (head of government) is rotated annually among the Federal Councilors according to seniority. The current President is Transport/Energy/Environment Minister Moritz Leuenberger. On occasion, councilors may exchange ministerial portfolios as new members are appointed. The newest member of the Council, however, Samuel Schmid, elected in December 2000, assumed the portfolio of his predecessor and heads the Department of Defense. The Federal Council strives to present a collegial image and to govern by consensus. Its deliberations are private. Contentious issues that cannot be decided by consensus are determined by majority vote, results of which are not released.

The composition of the Federal Council reflects the so-called "magic formula" coalition that has governed Switzerland since 1959. Under this informal arrangement, the four largest political parties, which generally receive 70-75 percent of the popular vote in federal parliamentary elections held every four years, fill the seven positions on the Federal Council. In the coalition are three center-right parties- Free Democrats, Christian Peoples' Party and Swiss Peoples' Party- and the left-of-center Social Democrats. In recent years the three largest parties in terms of popular vote have been

the Free Democrats, Christian Peoples', and Social Democrats and, therefore, each received two Federal Council seats with the Swiss Peoples' Party receiving one. In the most recent election held in October of 1999, however, the Swiss People's party became the second largest in terms of seats in parliament. After much debate, the Federal Council and parliament decided to leave the magic formula in place. The Swiss People's party has vowed it will reopen the issue of obtaining a second seat in the Federal Council at a later date. It is understood that there will always be at least two Federal Councilors from the non-German (i.e., the French or Italian speaking) cantons. As part of an effort to modernize and revise the Federal Constitution, Parliament recently abolished the constitutional clause stipulating that no canton may have more than one representative on the Federal Council.

The presence of left and right-wing elements in the governing coalition has allowed it to co-opt more extreme parties in the spectrum. The coalition's ideological diversity, combined with a non-confrontational, consensus approach to decision making, has brought long-term political and social stability.

Treaties, international agreements, and legislation approved by the Parliament are subject to challenge by popular vote in Switzerland's unique system of initiative and referendum. These instruments allow unusually intense popular involvement in the legislative process and keep the federal government under constant scrutiny.

#### 4: MARKETING US PRODUCTS AND SERVICES

The most effective method of importation into and distribution within Switzerland depends on the type of product and the location of manufacturing or distribution sites. Capital goods manufacturers may find direct exporting most desirable when contracts with a limited number of customers represent an appreciable share of the market. However, a company new to the Swiss market, or one whose products require training for use and after-sales service, is well advised to engage the services of a technically qualified Swiss agent with good market knowledge.

Swiss buyers of raw materials often use specialized importers. Large orders may be made directly from producers overseas, specialized trading firms, or transshippers. As the metals industries tend to be less developed, with the exception of aluminum, imported materials usually consist of semi-processed or processed items.

A number of large international trading and transit companies operate in Switzerland. Parent companies in Switzerland carry out the transactions, while foreign affiliates or representatives may handle such aspects as shipping, receipt, and verification of the goods. In some cases, the imported goods never enter Swiss customs territory. Most of these firms are members of the Swiss Association of International Trading Houses (Schweizerischer Verband der Internationalen Handelsfirmen).

Manufacturers and exporters of consumer goods may deal with a wholesaler (who is usually also the importer), engage the services of a representative, or sell directly to buying offices of large retail chains especially if dealing with mass-produced goods. Most often a representative or agent, who usually specializes in one or more product groups, is responsible for distribution in the whole country.

Import and Wholesale Trade: Many Swiss wholesalers are also importers and they generally expect exclusive regional or national rights for the imported product. Wholesalers maintain stocks of a range of products, and provide quality control, transport, warehousing, and financing. Associations of wholesalers have been created for various sectors to protect their common interests and to facilitate more effective competition with other forms of distribution. Most wholesalers and importers also belong, either through sector associations or individually, to the Federation of Swiss Importers and Wholesale Traders (Vereinigung des Schweizerischen Import- und Grosshandels).

Retail Trade: The structure of retail trade in Switzerland has been changing. One trend has been a decreasing number of independent retailers, giving way to an increasing number of self-service and discount stores, supermarkets, and the like. A tendency toward specialization in food distribution has been particularly noticeable. Faced with an increasing number of large, vertically integrated retail establishments with nationwide coverage, individual retailers have set up organizations to provide wholesale purchasing, importing, and other services. Functioning as cooperatives, most of these retailers' buying groups and associations are in the foodstuffs business, but they can also be found in textiles, leather goods, sports articles, pharmaceuticals, toys, and hardware.

Vertically integrated retail firms account for a large part of local trade. Department stores, chain stores, consumer cooperatives, discount stores and supermarkets form the bulk of such retailers. The tendency is not to specialize in a good or service but to deal in a wide range of products and services. Their vertical structure and centralized buying give them a competitive advantage over independent retailers.

Retail traders continue to rationalize their operations in order to counteract the effects of the ongoing, stiff competition. Scanner cash registers for bar-coded articles are in wide use in the country. The use of electronic cards to ease payment transactions is similarly growing (cards issued by the Swiss Post, where numerous Swiss have accounts, are particularly popular). In 1987, Swiss retail groups joined forces to form the Electronic Payment System Association (Verband Elektronischer Zahlungsverkehr).

#### - Information on Typical Product Pricing Structures

There continue to be many small businesses in Switzerland -- operating on high margins with relatively low turnover. There are very few discounters in the country and, as a result, markups can easily be 100 % or higher.

#### - Use of Agents/Distributors; Finding a Partner

Two principal types of representatives are provided for by Swiss law: (1) Agents are independent, can work for several firms, and are compensated by commission. Their activities are governed by a 1949 federal law on agency contracts. Swiss law does not permit a principal to inspect the books of his Swiss agent. (2) Traveling salespeople (Handelsreisende) are employees of the company they represent. Under a 1941 federal law, they are entitled to a fixed salary, with or without commission, and reimbursement of travel and entertainment expenses.

For a company interested in entering the Swiss market, finding and selecting the right person or firm for representation is important and sometimes difficult. Favorable terms may be required to obtain good representation for a new product or an unknown firm.

U.S. firms seeking representation in Switzerland should contact their nearest U.S. Department of Commerce Export Assistance Center to review the services available with the Commercial Service Switzerland. Services include an International Partner Search (IPS), a customized search conducted by Commercial Service specialists which helps identify agents, distributors and foreign representatives for U.S. firms based on the foreign companies' examination of U.S. product literature (a fee of \$600 is charged). For companies willing to travel to Switzerland and meet with potential agents/distributors, or to assess the market by calling on consulting companies and associations, the Gold Key Matching Service is ideal (the fee is \$650 for one day and \$325 for each additional day of appointments). Other means of locating representation include visits to trade fairs, advertising in Swiss periodicals, contacting the Swiss American Chamber of Commerce, and/or engaging the services of professional organizations in the United States or Switzerland. Beginning in the summer of 2001 U.S. companies will be able to subscribe to BuyUSA.com as another means to identify buyers and representatives.

Once a potential partner has been identified, it is frequently a good idea to request a financial profile of the company. These can be obtained at a relatively low cost from Dun & Bradstreet in the United States.

#### - Franchising

More than 150 franchisors are currently operating in the Swiss market, some 20 of which have more than ten outlets. Around 25 percent of all franchisors are of domestic origin, 25 percent are American, and a large number are of French origin. Franchising is on the increase in the service and catering sectors. For instance, the Accor group, Compass group and Autogrill group run several restaurants (Eurest, Passaggio), catering systems, and hotels. Franchising has long been practiced in the automotive sector. It has also been successfully applied in the distribution and retail business for clothing, baby and children's products, beauty and personal care, giftware, and the like. Industry franchises (Coca-Cola, Pepsi, Yoplait, etc.) are well integrated and active. Good opportunities exist in the restaurant business - McDonald's, Burger King, Pizza Hut, Subway, and Starbucks (and soon Aroma coffee shops, a new division of McDonald's) - are all present. In the service sector and management and career improvement (Manpower and Kelly's Employment Service are present) new concepts are welcomed, especially in retail, home improvement services, and computer training.

Franchise experts advise new-to-market franchisors and masters to adapt the franchise package or business format and message to the cultural traits and customs of specific regions and countries of Europe (only rarely can a franchise concept simply be taken over from the United States -- success almost always requires adaptation to the market). This advice applies particularly to a small, multilingual country like Switzerland, where franchise packages can be tested in different cultural environments (French in Geneva or Lausanne; German in Zurich, Basel or Bern; Italian in Lugano). Lessons learned in Switzerland can be applied in larger, neighboring countries. The availability of capital and Switzerland's highly-developed service, transportation and communications links can be used by U.S. franchisors to control their franchise interests in Europe through a Swiss-based head office. Given the licensing fee of some franchises, it is unlikely that

outlets alone in Switzerland can support the fee and a more regional outlook may be required.

Prospective masters and franchisees should be properly screened. It is advisable to undertake a feasibility study and invest in a pilot operation prior to implementing a business plan, especially if it has not been tried in Europe before.

Franchising's penetration of Swiss retail trade is far from the 40 percent of retail sales it represents in the U.S. The main reason for this is that financing is readily available to Swiss to operate their own distribution or retail chains or stores in Switzerland. However, with the effects of globalization, executives and people with disposable start-up capital are more interested to establish their own businesses through franchising than they were before. Outplacement and executive counselors often advise clients to consider franchising. The Swiss Franchise Association is active in holding seminars and workshops.

#### - Direct Marketing

Home shopping, meaning the direct sale of goods from a private location, is becoming increasingly popular in Switzerland. This method of direct marketing has recorded enormous growth - the turnover for these direct sales companies has doubled within the last five years. The home shopping boom has reached a record high and products sold range from the well-known Tupperware and Mary Kay Cosmetics, to lingerie to new recipes and cleansing agents. More than 5,700 sales people are members of the Swiss Association of Direct Marketing Companies (Schweizerischer Verband der Direktverkaufs-firmen VDF), mail order companies not included. They counted more than one million client-contacts during the business year 1997/98, thereby generating a turnover of 283 million Swiss Francs (\$195 million).

Most of the products sold at 'Home Shopping Parties' are top grade and innovative and cannot be found at retail stores. Within the VDF association only the British company Body Shop offers the identical cosmetic and personal hygiene products that can be found in their shops - for the same price. The advantages of home shopping frequently mentioned by participants are the competent advice offered by the sales person, the relaxed and friendly atmosphere of the private location, the combined 'shopping and meeting friends experience' and the possibility of testing the products offered on the spot. Some of the most popular products sold through the direct marketing system in Switzerland include:

**Photos and Books:** The Bertelsmann-Verlag, with its 40 volume encyclopedias, is one of the best known companies in this sector. Besides that, a whole variety of photographs are also frequently offered. The company Air-Color, for example, specializes in photos that are individually taken from a helicopter and then sold through direct distribution.

**Personal Hygiene:** Beauty products are predestined to be sold via personal demonstrations at private locations. Personal hygiene products ranging from soap to night creams are ideal for direct sale as home shoppers can try out the various products and profit from the personalized consultation. Amway is one of the strongest representatives in this sector, offering cosmetics and a whole variety of personal hygiene products. Other companies in this field are Mary Kay Cosmetics, Deesse, Just, Jafra and the Body Shop.

**Jewelry and Apparel:** Costume jewelry is successfully sold by companies like Jenny Lane, Pierre Lang or Papillon. None of these firms offers precious jewelry though. The direct sale of clothing items has by and large failed due to the modest margins and the huge variety of products. Lingerie sales for women, however, are gaining in popularity.

**Cleansing Agents:** The 'Just' products have been sold through home shopping for generations. Other companies that sell top quality, ecologically friendly cleansing products include Blidor and Amway; both of them also offer personal hygiene products.

**Household Articles:** Items range from Tupperware (every Swiss household has at least one of their famous items) to special cooking pots and pans that allow cooking without any or very little fat or water. A huge variety of electrical appliances and various cleaning devices can also be found in this sector. New-to-market products are especially popular with home shoppers. Products in this field are offered by AMC (Schweiz), Borna, Imco Waterless AG, Lux and Vorwerk.

**Food/Nutrition:** Offerings consist of fat-free bouillon, sauces and salt-free spice mixes, mostly prepared and tasted on the spot. Multivitamin products and food supplements in general have also proven to be very popular among participants at home shopping events. Power-drinks that cover a whole day's requirement for vitamins, proteins and minerals are successfully marketed through the direct sale system as well. Nahrin AG, Edifors and NBC Nutrition & Bodycare Concept AG are the major competitors in the nutrition sector.

The advantages of the direct marketing system for manufacturers are threefold: As home shopping parties are usually held at private locations, no costs for shop rental and the like arise. The word of mouth advertising from satisfied customers makes huge advertising budgets superfluous and there is usually only a single sales person between the manufacturer and end-user, eliminating the cost-intensive intermediate trade altogether. Additionally, the direct marketing companies can profit from the pressure to buy, which stems from the social nature of such events.

The members of the Swiss Association of Direct Marketing Companies (VDF) are obliged to follow a so-called code of honor, which also regulates the rescission of a contract within seven days that is required by Swiss law. In addition to that, many of the VDF members are willing to accept returns even after this time period has elapsed. Furthermore, the association offers assistance should problems or misunderstandings arise that cannot be solved directly with the sales person or manufacturer. New companies that apply for VDF membership need to undergo an extensive examination, conducted by the association.

#### - Joint Ventures/Licensing

**Joint ventures:** Although joint ventures are not specifically governed by law, they are usually classified under Swiss company law as an ordinary partnership (Einfache Gesellschaft). Legally, a joint venture consists of two or more individuals or corporations for the realization of a particular project. Its name is not protected by law, nor can it be registered in the Swiss Commercial Register (Handelsregistrar).



Licensing: The Swiss often rely on licensing arrangements to acquire know-how and excel in adding value to imported raw goods and services, earning revenue through exports. Licensing can therefore be a successful and profitable market entry strategy for U.S. firms.

In most sectors U.S. licensors will readily find prospective licensees with the manufacturing and marketing skills to successfully handle the product not only in Switzerland, but also in other European countries. Swiss expertise in exporting, flexibility in adapting to difficult markets and skill in precision engineering will benefit a U.S. licensor.

The pros and cons of adopting a licensing strategy must, however, be compared to other methods of market entry. The key to success in licensing lies in screening the prospective licensee to assess capabilities, interest and motivation. Swiss intellectual property legislation protects know-how and patent transfer arrangements; and some cantons allow tax write-offs on intellectual property and tax-free or preferential treatment of royalties earned through know how transfer and licensing. Appropriate legal advice can be obtained from competent Swiss-based patent and licensing attorneys. The Licensing Executives Society has an active chapter in Switzerland.

#### - Steps to Establishing an Office

The actual mechanics of forming and registering an office in Switzerland can be accomplished in two to three weeks but the planning process can be more time-consuming and should take many factors into consideration. Probably the most important factor to consider for establishing an office in Switzerland is its location. Tax laws, availability of work permits, availability of labor force, and availability and cost of business facilities vary widely among cantons. Some cantons may offer special incentives for foreign investors.

Once a location is selected, the company must be registered in the Commercial Register (provided annual turnover amounts to at least SF 100,000 ( approx. \$60,000 as of 7/01 exchange rate); if less, the company may register if all other conditions are met, but is not required to). Registration documents contain the company name, amount of share capital, business purpose, names of directors and managers, and names of those who have signatory powers. Documents must be notarized and superlegalized by an "apostille" (legalization of the notary's signature) and, if required by the particular canton, translated by a recognized translator into German, French or Italian.

The company's board of directors must consist of a majority of Swiss citizens, residing in Switzerland (but the shares can be overwhelmingly held by foreigners -- except for banks or real estate). Foreign controlled companies usually meet this requirement by nominating Swiss directors who hold shares and perform functions on a fiduciary basis. The manager need not be a Swiss citizen, but at least one person authorized to sign with a sole signature or two persons authorized to sign by joint signature, must be a Swiss resident.

Registration also includes special wording that the company, if a branch of a foreign corporation, is relatively independent from the corporation's head office from an economic and non-economic point of view. This basically enables the branch to exist as if it were a separate legal entity in Switzerland. The branch must have its own books of

account, although such books may be kept by the company headquarters or by a third party. A branch does not enjoy limited liability. For that reason, American companies should normally set up a subsidiary.

Employment regulations and restrictions are often a concern to businesses once they have registered. Foreign employees must have work permits which are granted at the cantonal level (there are quotas) and approved at the federal level. Hiring domestic residents is more straight forward. There is no minimum wage, but the company is liable for a host of benefits and compensations, ranging from pension plan contributions to health and accident insurance.

A final factor that needs to be taken into consideration when setting up a business is tax liability. As a rule, foreign companies have a tax liability on income attributable to a Swiss permanent establishment or income from immovable property located in Switzerland, including gains on the sale of such property. Withholding tax is levied on dividends and certain kinds of interest.

Switzerland and the U.S. have had a Double Taxation Treaty and a new investment treaty has recently come into effect. Income from industrial and commercial activities is not taxed in either country unless derived from a permanent establishment in the taxing country. Switzerland taxes only those industrial and commercial profits of a U.S. permanent establishment in Switzerland attributable to in-country activities. The same deductions are allowed in determining taxable income as for a Swiss corporation.

Excellent and detailed information regarding setting up and staffing a business enterprise in Switzerland is available from the Swiss-American Chamber of Commerce and from "doing business guides" published by such organizations as Ernst & Young and PricewaterhouseCoopers.

#### - Selling Factors/Techniques

New-to-market U.S. exporters are strongly urged to participate in reputable trade shows in Switzerland in order to give their products commercial exposure. Swiss buyers, agents and distributors, to a greater extent than their U.S. counterparts, use the trade shows as a means of finding new products. It is often more difficult to arrange personal meetings with prospective Swiss business partners if the U.S. company has not already expressed its commitment to the Swiss market by participating in trade fairs. Personal participation is not absolutely mandatory since catalog and video displays at shows often garner an excellent response. Nevertheless, there is no substitute for establishing a personal rapport with one's Swiss business partner.

An exporter's offer must be accurate and comprehensive if it is to be taken seriously by the Swiss. The Swiss receive offers from all over the world and they are unlikely to devote time to requesting additional details if it is not already included. These must be provided at the outset with objective and detailed information, including: exact product description with technical specifications; price details (CIF or FOB) in U.S. dollars or Swiss francs; method of payment; quantities available; packaging; and transport and delivery terms. An offer should also include: information on the exporting firm; production equipment available and quality control factors; and financial references. If minimum quantities for accepting orders are part of contract negotiations, the exporter should take into account the relatively small size of the Swiss market.

The first order given to a new supplier is often viewed as a test-run with attention paid to the quality of the goods and service provided, as well as the consumer's reaction to the product. Commitments should be scrupulously observed, or the likelihood of success in the market may be seriously compromised, as word travels quickly in Switzerland. Professionals in a given market sector are in fairly close contact with one another and an exporter's actions soon become common knowledge.

Payment terms, as in the United States, are usually stipulated in the sales contract, can be negotiated, and depend upon the amounts involved. Most common terms are: payment 30-60 days net (from the date of the invoice), payment within 10-15 days with 2-3 percent discount, and payment after 30-60 days with an interest charge. Good customers may expect credit of up to three months. Except for single, one-time transactions, or first-time transactions where there is doubt about the recipient's credit-worthiness, the costly letter of credit (LC) procedure should be avoided; it is perceived as depriving the recipient of the means to make deductions for faulty products or wrong shipments.

#### - Advertising and Trade Promotion

Print Media: Switzerland has one of the highest densities of newspapers, on a per capita basis, in the world. This is due primarily to the variety of languages spoken and the cultural diversity. As a result, many papers are geared to particular regions or localities. The number of dailies has changed only slightly in post-war years, but circulation figures have more than doubled. There are over 100 daily or weekly local papers which are distributed for free -- supported by the advertisements and bulletins they contain.

The Swiss also publish an extensive range of periodicals, trade magazines and special interest magazines such as travel, gastronomy, medicine, environment, and hobbies.

Listed below are some of Switzerland's major publishers. Given the diversity of publications and the intrinsic characteristics of Switzerland, it is advisable to secure the services of a professional advertising firm when planning an advertising campaign.

#### Major Swiss Newspapers and Periodicals:

Der Bund  
P.O. Box  
CH-3001 Bern, Switzerland  
Tel: (41-31) 385 11 11  
Fax: (41-31) 385 11 12

Type: Daily Newspaper  
Language: German  
Circulation: 64,685  
Editor-in-Chief: Dr. Konrad Stamm

Berner Zeitung  
Newspaper  
P.O. Box  
CH-3001 Bern, Switzerland  
Tel: (41-31) 330 31 11  
Fax: (41-31) 332 77 24

Type: Daily  
Language: German  
Circulation: 132,555  
Editor-in-Chief: Andreas Z'Graggen

Basler Zeitung  
P.O. Box

Type: Daily Newspaper  
Language: German

CH-4002 Basel, Switzerland  
Tel: (41-61) 639 11 11  
Fax: (41-61) 631 15 82

Neue Zuercher Zeitung  
P.O. Box  
CH-8021 Zurich, Switzerland  
Tel: (41-1) 258 11 11  
Fax: (41-1) 252 13 29

Tages-Anzeiger  
P.O. Box  
CH-8021 Zurich, Switzerland  
Tel: (41-1) 248 44 11  
Fax: (41-1) 248 44 71

Blick  
P.O. Box  
CH-8021 Zurich, Switzerland  
Tel: (41-1) 259 62 62  
Fax: (41-1) 262 29 76

24Heures  
P.O. Box 585  
CH-1001 Lausanne, Switzerland  
Tel: (41-21) 349 44 44  
Fax: (41-21) 349 41 10

Le Matin  
P.O. Box 1095  
CH-1001 Lausanne, Switzerland  
Tel: (41-21) 349 49 49  
Fax: (41-21) 349 41 10

LE TEMPS  
29, rte de l'Aeroport  
CH-1215 Geneva, Switzerland  
Tel: (41-22) 819 88 88  
Fax: (41-22) 819 89 89

Tribune de Geneve  
P.O. Box 434  
CH-1211 Geneva 11, Switzerland  
Tel: (41-22) 322 40 00  
Fax: (41-22) 781 01 07

La Liberte  
P.O. Box 1056  
CH-1701 Fribourg, Switzerland  
Tel: (41-37) 86 44 11  
Fax: (41-37) 86 44 00

Circulation: 117,417  
Editor-in-Chief: Hans-Peter  
Platz

Type: Daily Newspaper  
Language: German  
Circulation: 160,335  
Editor-in-Chief: Dr. Hugo  
Buetler

Type: Daily Newspaper  
Language: German  
Circulation: 282,222  
Editor-in-Chief: Philipp Loepfe

Type: Daily Newspaper  
Language: German  
Circulation: 373,354  
Editor-in-Chief: Juerg  
Lehmann

Type: Daily Newspaper  
Language: French  
Circulation: 92,605  
Editor-in-Chief: Jean-Marie  
Vodoz

Type: Daily Newspaper  
Language: French  
Circulation: 54,476  
Editor-in-Chief: Daniel  
Pillard

Type: Daily Newspaper  
Language: French  
Circulation: 70,000  
Editor-in-Chief: Eric Hoesli

Type: DailyNewspaper  
Language: French  
Circulation: 60,480  
Editor-in-Chief: Marco  
Cattaneo

Type: Daily Newspaper  
Language: French  
Circulation: 35,753  
Editor-in-Chief: Jose  
Ribeaud

Corriere del Ticino  
Ai Mulini  
CH-6933 Muzzano, Switzerland  
Tel: (41-91) 58 31 31  
Fax: (41-91) 58 29 77

Type: Daily Newspaper  
Language: Italian  
Circulation: 36,521  
Editor-in-Chief: Giancarlo  
Dillena

Giornale del Popolo  
Via San Gottardo 50  
CH-6903 Lugano, Switzerland  
Tel: (41-91) 23 22 72-75  
Fax: (41-91) 23 28 05

Type: Daily Newspaper  
Language: Italian  
Circulation: 23,725  
Editor-in-Chief: Filippo  
Lombardi

Die Weltwoche  
Postfach  
CH-8021 Zurich, Switzerland  
Tel: (41-1) 207 73 11  
Fax: (41-1) 202 61 27

Type: Weekly Magazine  
Language: German  
Circulation: 106,511  
Editor-in-Chief: Fredy  
Gsteiger

FACTS  
Postfach  
CH-8034 Zurich, Switzerland  
Tel: (41-1) 389 33 33  
Fax: (41-1) 389 33 30

Type: Weekly Magazine  
Language: German  
Circulation: 60,000  
Editor-in-Chief: Rene  
Luechinger

Sonntags-Zeitung  
Postfach  
CH-8021 Zurich, Switzerland  
Tel: (41-1) 248 40 40  
Fax: (41-1) 242 47 83

Type: Newsmagazine  
Language: German  
Circulation: 122,881  
Editor-in-Chief: Andreas  
Durisch

Sonntags-Blick  
Dufourstrasse 23  
CH-8008 Zurich, Switzerland  
Tel: (41-1) 259 62 62  
Fax: (41-1) 251 80 06

Type: Newsmagazine  
Language: German  
Circulation: 360,477  
Editor-in-Chief: Bernhard  
Weissberg

Schweizer Illustrierte  
Dufourstrasse 23  
CH-8008 Zurich, Switzerland  
Tel: (41-1) 259 63 63  
Fax: (41-1) 262 04 42

Type: Weekly Magazine  
Language: German  
Circulation: 196,265  
Editor-in-Chief: Urs  
Heller

Cash  
Hohlstrasse 192  
CH-8021 Zurich, Switzerland  
Tel: (41-1) 242 80 77  
Fax: (41-1) 242 90 41

Type: Weekly News  
Language: German  
Circulation: 50,000  
Editor-in-Chief: Markus Gisler

L'Hebdo  
P.O. Box 3153

Type: Monthly Mag.  
Language: French

CH-1005 Lausanne, Switzerland  
Tel: (41-21) 320 36 11  
Fax: (41-21) 320 36 17

Circulation: 55,000  
Editor-in-Chief: Ariane Dayer

Bilanz  
Edenstrasse 20  
CH-8021 Zurich, Switzerland  
Tel: (41-1) 207 72 21  
Fax: (41-1) 201 59 16

Type: Monthly Mag.  
Language: German  
Circulation: 70,000  
Editor-in-Chief: Medard Meier

Schweizer Handels-Zeitung  
Seestrasse 37  
CH-8027 Zurich, Switzerland  
Tel: (41-1) 201 35 55  
Fax: (41-1) 202 01 26

Type: Weekly News  
Language: German  
Circulation: 37,025  
Editor-in-Chief: Dr. K. Speck

Bilan  
Av. de la Gare 33  
P.O. Box 585  
CH-1001 Lausanne, Switzerland  
Tel: (41-21) 349 48 22  
Fax: (41-21) 349 40 80

Type: Monthly Mag.  
Language: French  
Circulation: 21,528  
Editor-in-Chief: Max Mabillard

Radio and TV: The dominant player is the Swiss Broadcasting Company (SRG) which has had a monopoly in the production and broadcasting of Swiss radio and TV programs for a very long time. SRG is a private, nonprofit organization financed through compulsory listener/viewer fees. SRG owns nine radio stations; three in each of the French-, German- and Italian-language regions. In addition, there are private commercial radio stations in almost every large city and at least one in almost all of the 26 Swiss cantons. Privately-owned TV stations are not that widespread and the only two successful stations are in the cities of Zurich and Bern. An extensive cable system permits receipt of radio and TV programming from other European countries. Generally, CNN International and BBC Prime are available, in English, on most cable systems in the major cities.

Unlike the U.S., but similar to the rest of Europe, Swiss TV advertising is grouped in blocks of time rather than interspersed throughout and between programs (although since April 1992, programs over 90 minutes may have one commercial break). TV advertising is subject to certain restrictions, for example, commercials for cigarettes, alcoholic beverages and pharmaceuticals are banned. There is no national radio advertising in Switzerland, although advertisement may be placed through local radio stations. The Corporation for Television Advertising (AG fuer das Werbefernsehen, Postfach 610, Giacomettistrasse 15, CH-3000 Bern 31, Switzerland; tel: (41-31) 351-2221; fax: (41-31) 351-2310) takes requests for television advertising. TV advertising prices are based on 1,000 contacts (targeted viewing audience), and vary in price from SF 20-27 ( \$ 12-16) per unit of contact, according to the time of the day it is aired. Discounts are offered according to the season and the size of the contract.

- Pricing Product

In determining the selling price of a product, particularly for consumer goods, an exporter must take into account the considerable difference between the price an importer is prepared to pay and the prevailing retail selling price. The cost of distribution and the intermediaries' and retailers' margins may increase the selling price several fold. Markups in Switzerland generally range from 20 to 100 percent, but may be even higher.

Price controls, part of Swiss competition law since 1986, are primarily aimed at reducing abusive prices for goods and services resulting from a lack of competition, and apply only to members of a cartel or similar organizations subject to this law. Parliament has established an office to look into prices that appear to be too high. "Mr. Price" has considerable informal clout (a report from him stating that a particular price is unfairly high would usually be sufficient) but he cannot also institute legal action. There are, however, some products whose prices are more directly influenced by government measures; these are primarily agricultural goods and some pharmaceutical products.

- Sales Service/Customer Support

Finding a reliable means of providing rapid and efficient quality service and after-sales customer support is absolutely essential in Switzerland. Concluding a contract is usually dependent upon the ability to provide this follow-up service. Means of accomplishing this aim include one or all of the following measures: opening one's own office in Switzerland; finding a competent agent/distributor to provide after-sales service; and/or keeping stock in a Swiss or European warehouse for rapid resupply.

- Selling to the Government

Swiss government agencies use competitive bids for procurement. In general, the Swiss comply with international rules on procurement by government entities. Procurement at the federal level is generally limited to projects in sectors in which it has primary responsibility -- utilities, transportation, communications, defense and construction (this will, of course, change once privatization in transportation and telecommunications has taken place). Total federal government procurement averages \$6 billion annually. The Defense Ministry has some restrictions on foreign purchases (small arms, clothing and boots, telecom equipment). Many public projects are carried out by cantonal and communal governments; their procurement is about two and one-half times the federal government amount.

The federal government exercises a great deal of discretion in inviting bids and selective, discretionary tenders are more common than public tenders. Contrary to cantonal and communal practice, federal authorities are not required to inform unsuccessful bidders of the tender accepted or reasons for the choice. In general, quality and technical criteria are more important than price. Cantons and communes usually prefer local suppliers. Foreign firms may be required to provide a Swiss bank guarantee if they have no local office or representation.

Notices of Swiss government tenders are published in the official trade journal Handelsamtsblatt. Tender documents can be obtained free from the Swiss government agency. While there is no requirement to have a local agent to bid, it is advantageous when equipment needs training, service or parts.

- Protecting Your Product From IPR Infringement

Switzerland has one of the best regimes in the world for the protection of intellectual property, and protection is afforded equally to foreign and domestic rightsholders. This topic is discussed more thoroughly under Investment Climate section on "Protection of Property Rights".

- Need for a Local Attorney

Where American citizens are involved in disputes (with private individuals or business enterprises) and the controversy cannot be settled amicably, the normal recourse is to seek remedy provided by the law of the appropriate cantonal jurisdiction. American diplomatic or consular officers may not act as attorney, agent, or representative in a fiduciary capacity in such matters. If legal action is to be undertaken in Switzerland, a local lawyer should be involved (either directly or via an American attorney). There are differences in the legal systems in Switzerland and America and ignorance of those differences could jeopardize a case almost before it begins. As one example, in the United States a lawyer can serve papers on another person directly. Not in Switzerland. An American lawyer actually commits a criminal offense if he serves a party here directly. He has to file a complaint with the court and the court then decides whether to serve or not. The Martindale-Hubbell Law Directory contains an extensive list of lawyers licensed to practice in Switzerland. The Embassy's Consular Section also maintains a list of local English-speaking lawyers. The fax number is (41-31) 357-7398. Please specify the canton for which the list is required when calling.

The only methods for a non-Swiss court or lawyer to obtain testimony or to serve process in civil matters in Switzerland are through the Hague Convention on taking of Evidence Abroad in Civil or Commercial Matters, the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil and Commercial Matter and through a letter interrogatory. For information on this rather cumbersome legal process, contact either the Embassy Bern Consular Section or the Office of Citizens Consular Services in the Department of State (202) 647-5226.

- Performing Due Diligence/Checking Bonafides

Sources for checking the background of Swiss companies:

Swiss Trade Register:

Whenever a Swiss company reaches annual sales of SF 100,000 it must be listed in the Swiss Trade Register. The purpose of the Swiss Trade Register is to provide a list of all business enterprises in Switzerland. It provides the following information about a company:

- name of firm
- its legal form
- head office (legal domicile)
- list of branch offices, purpose
- owners, partners, managing directors
- persons having power of attorney
- number of shareholders
- year of inscription



Any firm listed in the Swiss Trade Register is considered to be a legitimate company and is required to keep accounts and to maintain a balance sheet. However, the register does not say anything about the financial status and the business practices of the company listed. The Swiss Trade Register is published annually by the following publisher:

Orell Füssli Verlag  
Dietzingerstrasse 3  
CH-8036 Zurich, Switzerland  
Tel: (41-1) 466 74 45  
Fax: (41-1) 466 74 12.

Kompass:

Register of Industry and Commerce of Switzerland. The Kompass Register is roughly equivalent to the American Thomas Register. It lists most of the Swiss companies, but not all. The information presented in the Kompass has been provided by the companies listed. It gives complete contact address, bank reference, name of president, members of the Board and managing director, short description of company's activity, trademarks, share capital, number of employees, year of establishment. The Kompass is published by:

Kompass Schweiz Verlag AG  
Zurich-Gockhausen  
In Grosswiesen 14  
P.O. Box  
CH-8044 Zurich, Switzerland  
Tel: (41-1) 802 25 55  
Fax: (41-1) 802 25 66

If more detailed information is needed, such as financial data and reputation of a company, it is probably best to contact a credit reporting agency. A reliable source for credit reports in Switzerland is:

D&B Novinform AG  
In der Luberzen 1  
CH-8902 Urdorf, Switzerland  
Tel: (41-1) 735 61 11  
Fax: (41-1) 735 65 84

There are several Swiss companies who offer credit reports but D&B Novinform is the largest (D&B merged with the Swiss credit reporting firm Novinform a few years ago). It should also be noted that extensive information on Swiss companies can be accessed from Dun & Bradstreet in the United States directly (on-line information).

## 5: LEADING SECTORS FOR US EXPORTS AND INVESTMENTS

### 1. COMPUTER SOFTWARE (CSF)

U.S. software products enjoy an outstanding reputation in Switzerland. Software solutions which aim at increasing productivity, automating transaction processing, and labor-saving operations are in great demand. Desktop, personal computer,

portable computer, and data communication applications are very popular. There are currently close to 5 million computers in Switzerland, of which about 90% are PCs (personal computers, workstations and desktop models).

Switzerland's mechanical engineering, chemical and precision instrument industries, as well as the service sectors (tourism, banking and insurance), rely heavily on effective software solutions. Only through adequate systems and software will they be able to maintain, and possibly increase, their productivity and competitive edge overseas.

Web solutions, multitasking, group ware, multimedia, word processing and office, desktop publishing, presentation, e-mail, CAD/CAM/CAL and related engineering software applications, including graphic user interface software products in general, are among those packages or custom solutions which are in great demand.

All PC's used in Switzerland come with, or interface, CD or DVD drives. It is, therefore, necessary to package mass software on CD-ROMs. DVD drives are also making a rapid entry in both the commercial and consumer segments of the market (especially in the entertainment area). In mobile and notebook systems, PCMCIA cards have become the standard.

In brief, U.S. suppliers of software should find a ready but very quality-conscious market in Switzerland.

DATA TABLE: Computer Software \$ millions	in U.S.		
	1999	2000	2001
A) Total Market Size	4,315	4,720	5,220
B) Total Local Production	1,724	1,770	1,780
C) Total Exports	549	620	650
D) Total Imports	3,140	3,570	4,090
E) Imports from U.S.	2,135	2,650	3,100
Exchange Rates Used: \$ = SF	1.6	1.6	1.6

NOTE: The above statistics are unofficial estimates.

## 2. COMPUTERS & PERIPHERALS (CPT)

Switzerland is one of the most computerized countries in the world. It spent \$20.3 billion on information and communication technology in 2000 and a 5 percent growth rate is anticipated for 2001. Despite its relatively small size, it is seen as an attractive, highly developed and competitive market for Europe. This level of computerization is in part due to the presence of sophisticated industries and an active business and service sector. These groups rely heavily on computers to reduce labor costs and to compete effectively in the international market. Switzerland is also host to a number of international organizations, such as the United Nations, and regional or world headquarters of multinational corporations. These in turn create a demand for the latest in computer and communications technology.

The computer and peripherals market in Switzerland is expected to be close to \$4.4 billion for 2001. The total number of computers in Switzerland has reached 5 million units, of which around 4.5 million are PCs. Market observers report that close to 1 million units will be purchased this year - either as new installations or to replace less powerful or outdated models (the latter figure includes mobile or laptop/notebook computers). Popular peripherals include: printers; scanners; video projectors; external DVD/CD-R-RW Drives; handheld pocket PCs; digital cameras.

DATA TABLE: Computers & Peripherals \$ millions	in U.S.		
	1999	2000	2001
A) Total Market Size	3,505	3,740	4,010
B) Total Local Production	394	375	360
C) Total Exports	75	72	70
D) Total Imports	3,186	3,437	3,720
E) Imports from U.S.	2,050	2,280	2,600
Exchange Rates Used: \$ = SF	1.6	1.6	1.6

NOTE: The above statistics are unofficial estimates.

### 3. TRAVEL & TOURISM SERVICES (TRA)

Swiss tourism to the United States has ranked as the "top US export" to Switzerland for the past decade. The Swiss market for outbound tourism has again grown by 5.6 percent in 2000. It demonstrated a remarkable resistance to currency fluctuations, particularly in the so-called "dollar zone." Swiss travel to the U.S. dropped only by 1.8 percent as opposed to most neighboring markets like Germany which reported a 15 percent reduction. About 404,000 Swiss generated revenues in the US of above \$1.8 billion dollars. Airfares remained attractively low as a result of the growing number of new direct flights.

The total available airline capacity to the U.S. from Switzerland has again increased by some five percent. Continental Airlines, American Airlines, Delta Air Lines and Swissair now offer 17 direct flights between the two countries with over 4,000 seats. Off-line carriers such as the Star Alliance (Lufthansa and United Airlines), KLM-Northwest and British Airlines in particular continue to be major players as well. The easy and relatively inexpensive access to the U.S. has been facilitating more frequent, shorter trips. Delta Air Lines is now providing direct service to Atlanta and New York while Continental Airlines flies direct to Newark from Zurich. New York alone is now connected with Zurich by seven daily direct flights. American Airlines, Swissair's partner, started direct service into Dallas in June of 2000 – in addition to its direct flights to Chicago. Swissair has increased its number of direct flights to the U.S. to 13 and is evaluating further potential gateways.

Trips for cultural events and educational purposes continue to increase. Visitors to the USA for educational programs such as language training and studies (MBA's, post graduate degrees, extension courses) grew from nearly zero some seven years ago to over 6,000 last year. The west coast, as well as the southwestern states, still rank at the top of favored destinations for the Swiss. Florida, in particular, has

suffered from the “high dollar” and lost scores of sun-hungry vacationers to less expensive destinations in southern Europe. The new direct flight of Swissair to Miami has helped to prevent further losses. Swiss tourists typically like to venture beyond the cities and into the countryside. Small businesses (outfitters, motels, etc.) in many southern and northwestern states rank Swiss visitors second among their foreign clients. Swiss campers also kept their second position after Germans on KOA’s (Kampgrounds of America) list of foreign customers.

For years, shopping has been a lucrative by-product of a U.S. vacation, particularly for sporting goods (golfing, tennis, shoes, apparel, physical fitness equipment), clothing (designer brands), electronics (laptop computers, software, games), musical instruments and even automobiles. Fortunately, the less favorable rate of exchange of the dollar to the Swiss Franc did not impact negatively on the shopping behavior of the Swiss tourists.

Third country competition for the Swiss tourist has been led by Australia, though Canada also has tried to capitalize on the more favorable rate of exchange of the CDN \$ vs. the SF. Australia, in particular, is considered by the Swiss as a valid alternative to the destination USA. About nine out of ten Swiss travelling to the U.S. are repeat visitors. For this reason, the Commercial Service Switzerland, in cooperation with the Visit USA Committee, is introducing “new products” (lesser known destinations, activities and services) at its largest trade show, the Visit North America Seminar (see Trade Events section). For the majority of Swiss tourists, cost of visitation to the USA is less an issue than originality and quality of the visit. Although the general economic outlook for Switzerland remains good, the slowdown in the US economy, and Switzerland’s dependence on the that economy, could have an impact on visitation to the USA during the next two years.

Inspite of the challenge posed to travel agencies by the internet, over 85 percent of the Swiss still book their travel with travel agents.

DATA TABLE	In U.S. \$ millions		Proj. Growth Rate	
	1998	1999	2000	2001-2002
Incoming tourism	7,216	7,485	7,684	2.6 %
Outgoing tourism	7,898	8,392	8,895	5.8 %
US market share	1,856	1,835	1,802	0.5 %
Exchange Rates (SF to \$)	1.6	1.6	1.6	-

Estimated future inflation rate 1.5 - 2 %

NOTE: Above statistics are derived from TIA statistics, the Swiss Federal Statistical Office, two major local tour operators, the trade magazine Travel Inside and the national flag carrier SWISSAIR.

#### 4. AIRCRAFT & PARTS (AIR)

The Swiss aircraft and parts market is supplied by a handful of world-renowned suppliers of aircraft, engines and parts, although Switzerland has only a modest number of end-users (carriers for airborne transport). Despite a more complex

political environment, imports of aircraft parts and components are expected to show an increase in the forthcoming years primarily due to enlargement of the Swissair and Crossair aircraft fleets to meet market demand.

Prior to the introduction of A310-200 airplanes to the Swiss flagship carrier Swissair in the early eighties, Swissair had a long history of procuring airliners predominantly from Boeing of the DC-9 and DC-10 families. The initial Airbus acquisitions (A310-200) were superseded by airplanes of the A320 and A330 makes, while the Boeing contingent was replaced with airplanes manufactured by McDonnell Douglas (MD-11).

At the end of December 2000, the Swiss national flagship carrier, Swissair, had an operating fleet of 75 aircraft units, of which 19 units are the MD-11 aircraft. The remaining 56 units of the Airbus Industries manufacturer are divided up as follows: A319-111: 9 units; A320-214: 20 units; A321-111: 12 units; and A330-223: 15 units. The U.S.-made MD-11 contingent (all of which have been sold) will be replaced with nine units of the A340-600 as well as two leased units of the same make. The first delivery of the A340-600 is scheduled for spring 2002. According to current planning schemes, Swissair's fleet will, by the year 2006, exclusively encompass airliners manufactured by the Airbus Consortium, thereby eliminating aircraft made by Boeing (McDonnell Douglas). This grim outlook for U.S. aircraft manufacturing industry notwithstanding, both Airbus and Boeing are highly regarded by the Swissair Group, the parent company of SAirLines, which comprises the following providers of airborne transport: Swissair, Crossair and Balair/CTA Leisure Ltd. Balair/CTA, Leisure Ltd., formerly known as Balair/CTA, is Swissair's affiliated provider of long-haul charter flights and presently operates two aircraft of the Boeing 767-300 ER make.

A fully-owned subsidiary of the Swissair Group named Flightlease Ltd., headquartered at the Zurich International Airport, was established on February 1, 1998. This decision was implemented in the wake of centralizing the management of the Swissair Group's aircraft fleets, comprising jetliners operated by Swissair and jetliners of its affiliated provider of long-haul charter flights, Balair/CTA, Leisure Ltd. Flightlease's business activities provide for the leasing and overall aircraft asset management, fleet development as well as the procurement of aircraft and parts/components destined for lease to third-party customers.

Swissair's major suppliers for spare/replacement parts as well as components are the two aircraft producers Boeing and Airbus Industries, while engines are procured either from Pratt & Whitney or CFM, a joint-venture partnership between General Electric and Snecma. Another important cornerstone pertaining to the aircraft industry is the furnishings and interior fittings market segment, predominantly supplied either by the German outfit Recaro, or Rumbolt from Great Britain, or from the Italian manufacturer Avon Interior. The dominant supplier of tires for Swissair's aircraft fleet is the French manufacturer Michelin, complemented with tires manufactured by Goodyear and Bridgestone.

Crossair (Swissair's affiliated regional commuter airline), in which the Swiss national flagship carrier holds a majority stake of 70 percent, enjoys a great deal of autonomy and operates on an independent footing within the Swissair Group, the parent company of the airline. The majority of Crossair's aircraft fleet is still comprised of regional/business jets manufactured by the Swedish plane maker Saab, followed by

aircraft made by Boeing (McDonnell Douglas) and British Aerospace (BAe Systems). However, the composition of the aircraft fleet will change over the coming years.

After years of having predominantly operated Saab and Avro airplanes, the Crossair management identified the Brazilian plane maker Empresa Brasileira de Aeronautica SA, better known by its acronym Embraer, to replace a large portion of its current 77-strong overall aircraft fleet. The decision to introduce a new jet fleet was chiefly precipitated by the fact that Crossair's longtime Swedish airplane supplier, Saab, opted to retire from the civil aircraft market. Furthermore, the new short-range aircraft fleet with a seat capacity of about 100 comes in the wake of a decision to harmonize the air carrier's overall fleet and is hence bound to cut (maintenance) costs. The American/German plane maker Fairchild-Dornier and British Aerospace (BAe Systems), likewise a longtime partner, were vying for the contract, but failed to come up with a new product that would bolster the airline's target seat requirement. The principal factor, however, which eclipsed Fairchild-Dornier's proposal in favor of the Brazilian jet maker, called for the possibility of a package solution, whereby large commuter airplanes (70-seat ERJ 170 and the 108-seat ERJ-190) as well as the smaller ERJ-135 and ERJ-145 (37 to 50-seat market segment) could be secured. The accord, hammered out between Crossair and Embraer in 1999, provides for a firm order of as many as 85 as well as options on a tally of 115 jet units, giving the total transaction a potential value of as much as \$ 4.9 billion (inclusive of spare/replacement parts).

Switzerland's domestic production is shared by two manufacturers: Pilatus Aircraft Ltd. and FFA Aircraft Altenrhein Ltd. The former, headquartered in Stans, is by far the leading Swiss aircraft manufacturer whose market share accounts for approximately 96 percent. In 2000, Pilatus Aircraft Ltd. had a total of 86 units rolling off its assembly bays, comprising 13 trainer units, 69 PC-12 and 4 units of the PC-6. Last year Pilatus Aircraft and its subsidiary companies registered record gross sales of Swiss francs 541.3 million (\$ 318 million). The success was underscored by record sales of the PC-12 aircraft, which represents Pilatus's youngest aircraft family. The highly-touted PC-12 aircraft is an excellent product, in which idea, concept, engineering and fabrication are skillfully combined.

The six, formerly government-owned, armament plants were privatized in early 1999 and amalgamated into one singular body -- the RUAG SUISSE company. Last year, RUAG SUISSE completed its first business year in its new identity as a private limited company. The armaments and industrial corporation comprises the following subsidiaries: SE Swiss Electronics Enterprise Corp., SF Swiss Aircraft and Systems Company Corp., SM Swiss Ammunition Enterprise Corp., and SW Swiss Ordnance Enterprise Corp. SF Swiss Aircraft and Systems Company is headquartered in Emmen. Its core activities include the maintenance of overall systems and their components, the development, production and assembly of structural components, systems integration and services for aircraft, helicopters, and systems that stem from military and civilian aeronautics and space technology.

The Swiss Federal Department of Defense (DoD) elected in 1993 to procure F/A-18 Hornet fighters (26 C single-seaters and eight D two-seaters; one dual seater unit crashed in April 1998, however). These aircraft correspond as much as possible to the U.S. Navy configuration, with required modifications to be consistent with Swiss needs, principally in the areas of reinforcement of the airframe and the adaptation of

electronic equipment, so as to harmonize with facilities already in place. Of the 34 aircraft units, one single and one two-seater were completed in the United States. The Swiss industry is actively involved in the production of the follow-on units.

The Federal Department for Defense, Protection of the Population and Sport (DDPS), the governing body for military and defense related issues, announced in February 2000 that the procurement of an additional squadron of F/A-18 fighter jets is at the present time unfeasible. The procurement of eight to eleven units of the F/A-18D (dual-seater units) fighter jets was under consideration.

DATA TABLE	in U.S. \$ millions		
	1999	2000	2001
A) Total Market Size	1,394	1,418	1,435
B) Total Local Production	297	322	325
C) Total Exports	582	589	595
D) Total Imports	1,679	1,685	1,705
E) Imports from the U.S.	595	666	659
Exchange rate used: \$ = SF	1.6	1.6	1.6

## 5. TELECOMMUNICATION SERVICES (TES)

Switzerland's industry, service and business sectors rely heavily on fast, efficient telecom services with the United States and the rest of the world. More than 600 U.S. companies maintain international European headquarters or subsidiaries in Switzerland. A similar number of Swiss companies operate in the United States. This high level of cross investment rests on the developed nature of transatlantic communications.

In addition to voice services, other areas of opportunity for U.S. operators include: electronic mail, teleconferencing, the leased line business, data transmission, voice and image compression, frame relay, virtual private networks, outsourcing, mobile and radio services. Internet services, groupware software and private operator networks are other driving forces in this sector.

The Swiss market has been reshuffled by the telecommunication liberalization of 1998. Over 130 carriers now compete with Swisscom in all areas of telecommunication services. The high growth potential in mobile communications, cable services, switched data and leased lines make this market highly attractive for U.S. suppliers with cutting edge products and services.

Swisscom, the former government owned communication monopoly, remains strongly competitive in the most profitable sectors of growth - such as mobile communications, leased line traffic, voice transmission, closed user groups, and large business accounts. It is actively developing value-added services, including private virtual networks, and design and operation (with partners Cisco, Siemens, Alcatel, Ascom/Ericsson) of the ATM (Asynchronous Transfer Mode) infrastructure.

U.S. carriers such as MCI/Worldcom, Global Crossing and SBC Communications/Ameritech (through its partial ownership of Tele Denmark) are well

established in Switzerland, as are foreign operators, such as British Telecom, France Telecom, Tele Denmark and Orange Communications (France Telecom).

The International Telecommunication Union, which is based in Geneva, is a very important facilitator in world telecommunications. It issues standards recommendations, organizes important conferences and trade events such as the quadrennial Telecom exhibition (last held in Geneva from October 10 - 17, 1999) and is a forum for multilateral debates.

DATA TABLE: Telecommunications Services  
U.S. \$ millions)

	(in		
	1999	2000	2001
A) Total Market Size	5,799	6,142	6,462
B) Total Local Production	4,537	4,918	5,250
C) Total Exports	693	760	810
D) Total Imports	1,955	1,984	2,022
E) Imports from the U.S.	587	609	630
Exchange Rates Used: \$ = SF	1.6	1.6	1.6

NOTE: The above statistics are unofficial estimates.

## 6. TELECOMMUNICATIONS EQUIPMENT (TEL)

Switzerland has one of the highest levels of per capita investment in telecom in Europe. Investment in telecom is important to the Swiss if their sophisticated industry, business, tourism and service sectors (including banks and insurance companies) are to operate effectively and competitively on a global level. Switzerland will continue to modernize its public networks in ISDN (integrated services, digital networks), DSL (digital subscriber line), broad band communications, and mobile systems. New entrants in the liberalized telecom market continue to expand their core infrastructure considerably - relying on the latest fiber optic technology and new wireless communication hard- and software.

Swisscom lost its monopolistic control over the market as of January 1, 1998. However, it will remain the largest service provider for years to come. Likewise, the value-added service sector (in data communications and transmission; and in pre-approved, closed user groups for voice) and the interconnect and customer premise equipment market have already been deregulated and are part of the free market system. However, the "last mile" has not been liberalized and remains under the control of Swisscom.

Mobile communications have been the boom segment of the industry. Swisscom, Sunrise and Orange have introduced the digital GSM system using the 1800 MHZ bandwidth, in addition to the GSM 900. At the same time, the Swiss Federal Office of Communications awarded four licenses for UMTS (Universal Mobile Telecommunications Standard) in 2000 – however, the implementation of UMTS services is still delayed by three to four years at best. Industry insiders still feel that there is a considerable lack of applications that require the use of this new and



expensive infrastructure. Furthermore, newer technology on the existing GSM network will enhance data applications far more economically.

In general, present trends are expected to be favorable for foreign and U.S. suppliers. Companies selling equipment and services (according to European/ETSI specifications) that meet the needs of affluent but demanding business, industrial, and private sector clients will fare well. Opportunities are especially good for U.S. mobile communication systems, data compression products, network equipment, cable and ISDN modems, interfaces, fiber optic systems, teleconferencing equipment, microwave equipment and supplies. The dominant role Swisscom still plays, and will continue to play, makes it a potentially important partner for U.S. firms.

DATA TABLE: Telecommunications Equipment		in U.S. \$ millions 1999		
2000	2001			
A) Total Market Size		1,553	1,748	1,900
B) Total Local Production		485	505	520
C) Total Exports		160	162	165
D) Total Imports		1,228	1,405	1,545
E) Imports from U.S.		340	390	500
Exchange Rates Used: \$ = SF		1.6	1.6	1.6

NOTE: The above statistics are unofficial estimates

## 7. E-SERVICES

One-half of the total Swiss population is online! With 3.5 million Internet users, Switzerland still ranks behind the United States and Sweden in per capita Internet usage but is far ahead of its neighbors France and Germany. The Swiss Internet population has grown another 17 % from January to June this year. One factor behind the recent growth is the many telecom service providers that have started to offer free Internet access (including an e-mail account and, sometimes, even room for a homepage) to their pre-selected customers. On the other hand, growth is still hampered by local per-minute phone charges that apply for calls to an Internet Service Provider (ISPs). Cable companies as well as some ISPs are beginning to offer DSL access. However, at least in case of the largest ISP- Bluewin, a daughter of Swisscom - per-minute charges have simply been replaced by "per-gigabyte" fees.

Users of customer-oriented Internet services – like eBanking and eShopping – are growing at an estimated rate of 170 % per year. This growth rate most likely will continue for at least three more years.

Switzerland's industry, service and business sectors rely heavily on fast, efficient communication services with suppliers and customers around the world. It is, therefore, not surprising that they continue to invest heavily in eBusiness and Internet services. Independent researchers claim that the market is currently growing at a rate of 30% a year. Within the IT budgets, the money is mostly spent on services around eBusiness (such as Web-enabled process optimization). Currently, over 50% of an IT budget go into services and it is expected that this will increase to 70% by the year 2003.

DATA TABLE (e-Business and Internet expenditures of Swiss companies)

	in U.S.		
\$ millions	1999	2000	2001
A) Total Market Size	348	540	720
B) Total Local Production	235	330	480
C) Total Exports	85	90	105
D) Total Imports	198	300	345
E) Imports from the U.S.	105	140	180
Exchange Rates Used: \$ = SF	1.6	1.6	1.6

NOTE: The above statistics are unofficial estimates.

## 8. EDUCATIONAL SERVICES, EQUIPMENT AND SUPPLIES (EDS)

Switzerland is spending annually the equivalent of 19 percent of its GDP for educational purposes. Investments in education by the public sector topped \$ 12.5 billion in the year 2000. The Swiss federal system with 26 rather independent Cantons (states) results in considerable differences – very much comparable to the U.S. About \$ 3.2 billion were spent at the “highest level of education” such as the Federal Institutes of Technology in Zurich (ETH) and Lausanne (EPFL). Not included is industry sponsored R&D at universities and engineering schools (Fachhochschulen) which contributes substantially to the overall budgets. Estimates are as high as \$0.8 -1 billion. Firm figures are not available.

Several Cantons are considering the introduction of English language classes at an early stage, in addition to the current instruction in two of the official main Swiss languages (German, French, Italian). Zurich will start with an English language program as of the 3rd grade in 2002. This will make the Swiss educational market much more accessible and attractive to potential American manufacturers/suppliers. The same is true for the business community where English is almost “commonplace.” Corporate training as well as R&D are, to a large extent conducted in English. The use of PC's and internet access is widespread. Some 42 percent of the Swiss households have internet access.

Annual investments in equipment such as laboratory instruments, models, audio visual systems, PC's, software and similar items represent about 29 percent of the total budget for universities. Some 19 percent of the budgets for the same purpose (including educational toys and professional tools and machinery for trade schools) are invested annually at the level of primary school to college (Gymnasium) and engineering schools (Fachhochschulen).

Due to the small size of the country, simulators are used to a large extent by big organizations such as the Swiss military. Simulators are found at the level of the individual soldier's training all the way to combat aircraft and main battle tanks. There is also an attractive market for first aid training aids. The countrywide first-aid network (Samariterverein) as well as the country's civil defense organization are prime buyers. This particular market segment which is not covered by the figures

below is estimated at some \$ 250 million per annum based upon a five years average (fluctuations resulting from Army procurement).

Product groups with good prospects include educational services (including studies in the U.S. per se) for language and any type of corporate trainings, e-learning and distance learning, PC based educational courses, software (e.g. software permitting several monitors to attach to the same server), computers and peripheral equipment, laboratory instruments and systems for physics, chemistry, biology and medicine, AV equipment, simulators, first aid training devices, physical fitness equipment, games, toys and books.

DATA TABLE growth	in U.S. \$ millions		Proj. annual	
	1999	2000	2001	2001-
2002				
A) Total Market Size 1.5%	2,940	3,120	3,175	
B) Total Local Production 0.8%	2,820	2,965	2,985	
C) Total Exports 2.2%	670	690	705	
D) Total Imports 5.9%	790	845	895	
E) Imports from the U.S. 6.4%	135	142	151	
Exchange rate used: \$ = SF	1.6	1.6	1.6	

Please note: Fluctuations in the statistics often result from the fluctuations in the rate of exchange. Data were obtained from the Swiss Statistical Office, Swiss Federal Office for Science and Education, Worlddidac Assn., Schweiz. Wissenschaftsrat

## 9. SPORTING GOODS (SPT)

Sales in the Swiss sporting goods market- summer and winter sporting goods and sportswear but excluding bicycles- reached approximately SF 1.9 billion, (\$1.2 billion), according to the Swiss sports retailer association. Sports related services such as ski/snowboard rentals, repair, maintenance, etc. added \$147 million. Winter sporting goods accounted for 43% of total sales, whereas summer sporting goods had a share of 57%.

Total sales space allocated for sporting goods grew again in 2000, despite the fact that Switzerland has one of the tightest network of sporting goods retailers in Europe. Good examples are Migros, the largest supermarket chain in Switzerland, with the opening of more of its SportXX stores (bringing total to 12 stores) and the department store "Manor" with the expansion of its Athleticum chain (currently 11 stores). In addition, new distribution avenues such as e-commerce purchases and outlet factories continue to enter the market (there are now three outlets in Rümlang, Villeneuve and Mendrisio). Switzerland has approximately 1,670 sporting sales points of which 1,200 are specialty sports and trend shops, 250 sports outlets in

department stores and supermarkets, as well as approximately 220 outlets in so-called mixed shops (e.g. shoe shops).

The table below provides an overview of the total sporting goods market divided into winter and summer sports equipment and apparel. As shown, skiing is still the sport generating the highest sales followed by outdoor & mountaineering.

Winter:	Sales (in mil
Swiss Francs)	
Skis (skis, shoes, bindings and sticks)	330
Snowboards (boards, shoes and bindings)	110
Ski-and snowboard apparel	200
Accessories (helmets, glasses, gloves etc.)	100
Ice-hockey, cross-country skiing, snowshoes, sleds	70
<b>TOTAL WINTER</b>	<b>810</b>
Summer/All season:	
Sports- and outdoor shoes	280
Sportswear incl. outdoor and aquawear	400
Equipment and accessories	
- outdoor and mountaineering	110
- racket sports	70
- in-line skates	60
- watersports	50
- fitness	40
- golf	35
- teamsports	30
- others	25
<b>TOTAL SUMMER</b>	<b>1,1</b>
<b>00</b>	

Winter sporting goods:

Sales of carving skis and snowboards are still booming. The versatility of carving/snowboarding (freeride, freestyle, cruising, racing etc.) has led to a new marketing concept which emphasizes the pleasures of the skiing/boarding experience rather than the technical data such as radius or material. Another observed trend is towards complete outfit packages, which offer optimum compliance between ski/snowboard, binding and shoe. Softboots for skiers is another demand item for next winter. Cross-country skis and ice hockey equipment again decreased slightly. In the rental business the skishoes with thermo-moldable insoles seem to prevail.

Summer sporting goods:

In the hardware sector, kick- and skateboards as well as outdoor equipment were the top sales items, whereas the sales of in-line skates decreased again due to saturation of the market. Another decrease also was reported in sales of tennis rackets. Sales of summer sportswear have increased slightly. There is strong demand for high-tech materials, such as "Coolmax," "Tactel" and "Windstopper." In aquawear, sales of items offering so-called "Tan Thru" products -which block the

unhealthy UV-B beams but permits penetration of the UV-A beams for a sun tan- has increased. Another very promising area for the summer sporting goods industry is golf. Helping the growing popularity of golf is the increasing availability of public golf courses where beginners can get a first impression without a major expenditure.

U.S.- made sporting goods enjoy a reputation for good value, although there is strong third country competition from Austria, Germany and France. Domestic production is very limited. Since the Swiss perception is that most trends and fads originate in the U.S. (e.g. snowboards, carving skis), Swiss distributors show a strong interest in the traditional U.S.A. pavilion at the spring and fall ISPO exhibition in Munich, Germany.

DATA TABLE      -Retail Sales millions	In U.S. \$		
	1999	2000	2001
A) Total Market Size	995	1035	1117
B) Total Local Production	64	66	70
C) Total Imports	1321	1369	1470
D) Total Exports	390	400	423
E) Imports from the U.S.	109	112	116
Exchange Rates Used: \$ = SF	1.7	1.7	1.7

NOTE: Above statistics are unofficial estimates

## 10. MEDICAL EQUIPMENT (MED)

Switzerland maintains one of the best health care systems in the world. The dispersed nature of its health care system, which follows the pattern of its federal structure with 26 autonomous districts, contributes to the diversity of the market. U.S. equipment and supplies enjoy a good reputation. Many Swiss doctors and professors of medicine have been trained or have practiced in the United States. Interchange in procedures and techniques are considerable between the countries. These factors create a strong demand for U.S. equipment and devices.

The soaring health care costs have also created a strong demand for home health care and outpatient devices and services - a field in which U.S. suppliers, operating in a domestic mass market with volume production, have a marked lead and sometimes a price advantage over European competitors. In addition, Switzerland with its liberal trade and investment policies and moderate fiscal policy often serves as test market for advanced medical equipment in Europe. Experiences gathered in selling medical equipment in this multilingual and educated marketplace can be translated into successes in Germany, France, Italy, Austria and other European countries.

Switzerland will continue into the 21st century as an excellent environment for developing new medical products and services. The average Swiss still expects that hospitals should have the latest technology and, therefore, U.S.-made products that are on the cutting-edge of technology will have great potential. Prospects for U.S.

advanced bio-medical equipment, as well as home health care and rehabilitation supplies are, as well as diagnostics equipment, promising.

DATA TABLE	in U.S. \$ millions		
	1999	2000	2001
A) Total Market Size	730	741	763
B) Total Local Production	896	910	938
C) Total Exports	669	694	762
D) Total Import	503	511	525
E) Imports from U.S.	105	106	109
Exchange rate used: \$ = SF	1.6	1.6	1.6

Note: The above statistics are unofficial estimates.

## 11. LABORATORY & SCIENTIFIC INSTRUMENTS (LAB)

Switzerland's significant chemical and pharmaceutical industry, in particular, has been the basis for an attractive market for state-of-the-art laboratory instruments for the past decades. Its impressive worldwide success is the direct result of its position at the forefront of technology. Research and development (R&D) has been and will be the driving force of this industry and investments in state-of-the-art laboratory instruments, for obvious reasons, will remain heavy. The future will even see investments growing by 5-10 percent due to stiff international competition and ever shorter product life cycles.

The Swiss laboratory instruments market, in addition to the chemical/pharmaceutical industry, is also driven by major research institutes such as PSI (Paul Scherrer Institute etc.), universities (Federal Institute of Technology, ETH, EPFL, etc.) and some 50 federal and state government laboratories. Most major cities as well as the 26 Cantons (states) and the federal government maintain modern laboratories for environmental and health applications. The total end-user market can be split roughly into 45 percent private sector industry, about 30-35 percent institutes and universities, and 20 percent public sector.

All in all, Switzerland's renowned chemicals, pharmaceuticals and food industries are expected to provide a solid basis for an attractive, state-of-the-art analytical instruments market. Names such as Novartis, Hoffmann LaRoche, Nestle, CIBA Specialty Chemicals, Clariant, Lindt & Sprungli (chocolates) as well as many more are self-explanatory. There are, in addition, some 860 modern, medium-sized food, chemical and pharmaceutical manufacturers, many with well known proprietary products. About 200 companies are in biotechnology of which over 60 have their own patented specialties. A so-called "Bio-Technology Valley" is about to be created running from the Basel area all the way to Strasbourg, France. The dairy industry, a traditional Swiss trade, is also a heavy user of analytical laboratory instruments. BSE, the mad cow disease, has triggered a wave of research and the procurement of relevant equipment. Swiss companies are leaders in producing BSE tests and are about to complete the development of the first vaccination. The success of the industry has been making venture capital available in amounts which have not been seen previously.

Industry leaders such as Novartis spent some CHF 120 million (\$70-75 million) for analytical instruments in Switzerland. About 15 percent went into so-called laboratory automation, mostly robotic systems for pipetting, the diluting of samples and adding of reagents. Large companies such as Hoffmann LaRoche, Clariant and others are probably spending comparable amounts. The leading Swiss universities also operate very extensive and modern laboratories. Many of the new biotech start-ups made their first steps towards independence at institutes like ETH in Zurich or EPFL in Lausanne. A prominent illustration is the company Prionics which is now Europe's main supplier of BSE tests.

U.S. manufacturers have been among the main suppliers in most instrument categories among the five leading companies (including local and third country manufacturers).

DATA TABLE	in U.S. \$ millions			Proj. Avg. Annual Growth Rate
	1999	2000	2001	2001-2002
A. Total Market Size	492	514	557	7 %
B. Total Local Production	849	887	949	6.5 %
C. Total Exports	560	601	633	5 %
D. Total Imports	203	228	241	5.5 %
E. Total Imports from the US	59	62	67	7.4 %
Exchange rate (\$ vs. SF)	1.6	1.6	1.6	1.6
Estimated future inflation rate	1.5 - 2 %			

NOTE: Above statistics are based upon information obtained from Novartis, Clariant, (Procurement Div.), Laborscope (trade magazine), ETH/EPFL and from the Swiss Fed. Office of Statistics. (Swiss statistics are kept in basket categories and, as a result, require further interpretation by relevant specialists).

## 12. RENEWABLE ENERGY EQUIPMENT (REQ)

Hydroelectric energy has been Switzerland's natural main source of power due to its location in the Alps. About 59 percent of its electric power output comes from hydroelectric plants and about 39 percent from nuclear generating plants. Having been "blessed" in the past with an ample supply of power, the Swiss are now facing the challenge on how to cover the country's future energy needs. Large new hydroelectric plants will not be possible for environmental and political reasons. The oldest nuclear power plants will reach the end of their life cycles in some 15 - 20 years. The country, which was used to being self sufficient in electric energy, as a consequence, may be facing a power shortage within some 15- 20 years. This explains why development of new energy sources, particularly renewable energy, has become a top priority. In the spring of 2001, the Swiss parliament approved a 10 year federal government sponsored program named "Energy Schweiz" which will provide an annual \$ 220 million for relevant research and development. This amount will be matched by private sector research and development funding. Renewable

energy also has a significant environmental component and is seen as a complement of the Swiss program for the protection of the environment.

The promotion of renewable energy includes funding for the procurement of relevant technology and equipment from abroad -- an aspect which is of potential interest to U.S. manufacturers. The "Energie Schweiz" program is also open to foreign companies seeking to participate in relevant R&D projects, pilot plants etc. R&D, at this time, is focussing on solar energy, wind generated energy, geothermal energy and biomass.

Wind generated energy has moved to the center of attention in the past few years -- mostly as a result of the promising results which were obtained. Vestas from Denmark has established itself as the main supplier after an American manufacturer pulled out somewhat too early. Several new projects are now ready to be built which will require the procurement of some 60 turbines of 1 MW each. The Swiss Department of the Energy (Mr. Horvaty, Project Mgr.) found that, theoretically, some 1,500 wind turbines could be installed at about 400 sites taking into account wind and "esthetic/political" constraints. Wind generated energy is still about twice the price of "regular" electric power. However, a clever marketing strategy promoting the use of "clean energy" for the manufacture of products made by environmentally friendly processes has been very successful. As a result, the total output capacity of all existing and new-to-build wind generating plants has already been bought for the next two years.

Electric energy from photovoltaic sources still costs a prohibitive 65 cents per KWH which is twice the price of wind generated power. The "solar panel" market suffered a set-back in late 2000 when a proposed law seeking to subsidize photovoltaics was rejected in a popular vote. American suppliers rank among the leading suppliers of photovoltaic panels. Interestingly enough, private individuals as well as companies and the public sector keep investing. Switzerland, against all odds, produces almost 2 MW of solar powered energy out of a total 78 MW that is produced worldwide. This puts the Swiss into the "leading league" of the world's solar energy countries.

Heat pumps have been selling very well in the past few years. They now are an established technology which is used in combination with geothermal energy. Swiss companies reportedly have developed a considerable know how which is also exported. U.S. made heat pumps, after enjoying a strong position in the start-up phase, have been playing a rather marginal role in the past years as opposed to German and French producers. Geothermal energy is used for major projects such as the new Zurich airport.

The market for systems using biomass as a source of energy is also growing fast. The focus is on systems which, instead of wood, work with grass or other readily available plants. Switzerland is conducting a relevant international R&D program in cooperation with the IEA (International Energy Agency) for equipment which may also find application in developing countries.

DATA TABLE



	in U.S. \$ millions			Proj. Annual
	1999	2000	2001	2001-2002
A. Total Market size	682	708	729	4%
B. Total Local Production	595	620	648	4%
C. Total Exports	105	114	125	9%
D. Total Imports	192	202	206	2%
E. Imports from USA	18	18	19	5%
Exch Rate Used:	1.6	1.6	1.6	
\$=SF				

NOTE: The above statistics are unofficial estimates compiled with the assistance of BKW, SWISSOLAR, SWISS EOLE, Renewable Energy Div.. of Swiss Fed. Dept. of the Energy.

### 13. BUSINESS CONSULTING

In Switzerland, an estimated 2,700 consultants (world's highest per capita figure) generate roughly \$1.5 to \$2 billion in revenues annually. Switzerland's consultancy industry rests more on the individual consultant than is usually the case. The name or size of the consulting firm behind the individual does not carry as much weight as the individual, which would explain the very large number of small, niche consulting firms present in Switzerland. The leading factor fuelling the exceptional growth rates in this sector during the last few years is technological change. Assuming this factor will continue its importance to the business community, consultancy should continue its strong growth for the foreseeable future, with an increasing specialization for E-business solutions.

Consultants are an influential segment in the Swiss economy and, as a result, enjoy high acceptance in Switzerland. The consulting industry is concentrated in the economic metropolis: around 60% in and around Zurich; the remainder in equal parts in Geneva, Bern, Basel, Luzern and St. Gallen. Not only the large companies but also small and mid-size companies trust in consultants.

In Switzerland there is free and fierce competition in the consulting business. The top six consulting companies (by sales) are subsidiaries of the leading international consulting companies. They are drawn to Switzerland by their clients, the leading multinationals who have opened Swiss operations, as well as strong demand from the leading Swiss companies. As Switzerland continues to be an attractive location for the establishment of European and/or Middle East headquarters of companies as well as Non Government organizations (drawn mostly to Geneva for proximity to the U.N. and W.T.O.), or NGOs, the consultancy sector should grow concomitantly.

Marketing, information technology, strategic planning, web-design, and personnel benefits planning are the leading topics for consultants. The key to success for consulting firms is to produce a rapid but accurate analysis of the problems and possess the most up to date knowledge of solutions. Clearly, this is a personnel-driven industry but Switzerland's 1.6% unemployment rate contributes to a critical

shortage of experienced consultants in this rapidly expanding sector. Multinational consulting firms, sometimes at the expense of local Swiss owned firms, have the capacity to meet this shortage by transferring consultants from other offices, primarily the USA, Germany and the Far East. The issuance of work permits, however, can delay a rapid deployment of foreign staff. This shortage has also inspired a number of acquisitions by the larger, multinational firms of the smaller, Swiss-owned firms. There remain, however, numerous opportunities for U.S. firms to ally with local firms offering consultancy services.

No data are available to determine the amount of consultancy services provided by local companies (including U.S. subsidiaries) or imported services. Estimates of the market size range from \$1.5 to 2.0 billion.

## BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

Please note: data were not available for 2000 nor were estimates prepared by the Department of Agriculture but previous year data have been included to show trends, which continue favorably for U.S. firms.

### 1. WINE

U.S. red wine exports to Switzerland continue to show strong growth in face of tough competition from France, Spain and Italy. Swiss consumers have shown a preference for low-priced wines at the retail level where competition is particularly tough. There is good demand for higher quality wines, at higher prices, in the restaurant and hotel sector. Distribution of California wines is increasing throughout Switzerland.

DATA TABLE	in US \$ millions		
	1997	1998	1999
A. Total Consumption	2,570	2,503	2,510
B. Total Local Production	1,920	1,900	1,900
C. Total Exports	72	48	42
D. Total Imports	649	602	610
E. Imports from the USA	25	23	25

Exchange rate used is \$ = SF 1.6

Note: The above statistics are unofficial estimates.

### 2. FRESH GREEN ASPARAGUS

U.S. exports of fresh green asparagus continue to enjoy buoyant demand. U.S. fresh asparagus sales were valued at \$16.5 million in 1996 of which 99 percent were green. The U.S. supplied 88 percent of total Swiss fresh green asparagus imports in

1996, although competition from Spain caused this to dip to 80 percent in 1997. Swiss consumption is close to one half kilo per person. Switzerland is an excellent market for U.S. fresh green asparagus because of the Swiss preference for larger-stalked asparagus.

A tariff-rate quota with an out-of-quota rate (8.64 SF/100 kg reduced to 7.34 SF/100 kg in 2000) may be applied to imports a maximum of forty-six days between May 1 and June 15 each year. Imports outside the period of restriction will face a low tariff which will eventually be reduced to zero. During the period of restriction, certain quantities of imports will continue to enter the domestic market at the in-quota rate (7SF/100 kg). The Swiss government will set import quantities based on input from representatives of producer, consumer, and importer groups. Weekly allowable import quantities during the period of restriction are set in advance.

DATA TABLE	in US		
\$ millions	1997	1998	1999
A) Total Consumption	40.5	38.8	40.0
B) Total Local Production			
C) Total Exports	--	--	--
D) Total Imports	40.5	38.8	40.0
E) Imports from the U.S.	15.6	15.0	16.0
Exchange rate used is \$ = SF 1.6			

NOTE: The above statistics are unofficial estimates.

### 3. BEEF

Following Switzerland's implementation of its Uruguay Round commitments on July 1, 1995, the U.S. has access to tariff-rate quota of 1,500 mt for high-quality beef. Beef imports meeting the USDA requirements of "choice" or "prime" will automatically qualify for the quota. Imports out-of-quota face prohibitively high tariffs, over 1000% by some estimates. While the Swiss beef market has been erratic in the face of the BSE problem in Europe, it remains a good market for U.S. beef.

DATA TABLE	in US		
\$ millions	1997	1998	1999
A) Total Consumption	3000	2965	2990
B) Total Local Production	2970	2930	2960
C) Total Exports	0	0	0
D) Total Imports	30	34	31
E) Imports from the U.S.	20	21	20
Exchange rate used is \$ = SF 1.6			

NOTE: The above statistics are unofficial estimates.

#### 4. RAW TOBACCO

Switzerland is home to a number of multinational cigarette producers and exporters, and Swiss manufacturers play an important part in national policy concerning farm support and protection. Specifically, the Swiss cigarette manufacturing industry has a long-standing arrangement with the Swiss government and Swiss farmers to ensure that imports of raw tobacco enter duty free. Manufacturers support Swiss tobacco production by buying all domestic production at prices fixed by the government, but farmers are required to limit production to 730 hectares. This policy makes it possible to maintain Swiss producer prices at a higher level than imported goods, but also provides cigarette manufacturers a means to purchase the majority of its raw tobacco needs at low cost. The U.S. is the third largest supplier of raw tobacco to Switzerland.

#### 6: TRADE REGULATIONS, CUSTOMS AND STANDARDS

##### - Trade Barriers, Including Tariffs and Non-Tariff Barriers

With the possible exception of agricultural products, Swiss barriers to trade are more an annoyance than a major roadblock. Concerns for exporters include:

**Agricultural Products:** Until July 1, 1995, Switzerland's highly subsidized agricultural sector operated behind a variety of import restrictions -- licensing, quotas, supplementary import charges, variable levies, conditional import rules, import calendars, and the like. Prices of most agricultural imports were raised to domestic levels by variable import duties and specific non-tariff requirements on importers of agricultural products. A wide variety of U.S. agricultural products felt the effects of these barriers.

According to Organization for Economic Cooperation and Development (OECD) estimates, these policies resulted in Switzerland having one of the most highly protected agricultural sectors in the world. While Swiss consumers have one of the highest levels of per capita expenditures for food, totaling over \$4,000 per year, and Switzerland imports about \$6 billion of agricultural products per year, structural impediments in the Swiss market and high tariffs restrict imports. As a result, Switzerland poses particular challenges to U.S. agricultural exporters, exemplified by the fact that currently less than 5 percent of agricultural imports are shipped from the United States.

In recent years, Swiss agricultural policy has been reformed in order to be consistent with international (WTO) commitments. Most non-tariff measures have been converted into tariffs, export subsidies continue to be reduced, and domestic support payments have been de-linked from production. With greater transparency on the import regimes, U.S. exporters of agricultural products may have new market opportunities as a result of these changes.

**Food Retailing System:** A continuing obstacle to U.S. exporters, particularly those of high value products, is the food retailing system. The retail market is dominated by two retail giants who account for nearly half of grocery sales. U.S. exporters are disadvantaged by this system because the two food chain stores emphasize their own store brand products and favor products from their own processing plants. They are devoted primarily to in-house brands, followed by international brands to which they have exclusive marketing rights in Switzerland.

Swiss Cartels: Cartels in Switzerland used to be the subject of critical comments at regular intervals by the OECD. Indeed, cartels had been playing a significant anti-competitive role until the introduction of the new Swiss Cartel Law in June 1995. The law aimed, in particular, at breaking up so-called hard cartels which included price fixing and/or territorial and quantity allocations. WEKO (Wettbewerbskommission), a special 14 member commission, was established to enforce the new law. Many well known cartels, as a result, have disappeared. Prominent examples are the so-called "beer cartel," the "tobacco cartel," or the "chocolate cartel." Companies in the pharmaceutical and fossil fuel industries also have been scrutinized as well as legal and medical services. Consumer organizations have shown, however, that there is still a long way to go. The Swiss Federal Government, as a result and in connection with a proposed revision of the existing antitrust legislation, is planning to toughen the anti-cartel law. The new law will give WEKO more power and allow sanctions as of the first offense. Previously, sanctions could be applied only if caught a second time. Fines can now be as high as 10 percent of a company's total revenues in the past three years. In addition, all industry lobbyists will be removed from WEKO which will be reduced to seven members. WEKO also will be permitted to call witnesses and to conduct searches. The revised law, in spite of considerable opposition, is expected to be put into effect as of spring, 2002. This will bring Swiss anti-cartel legislation to the same level as that applied by the EU.

Agricultural products are similarly affected by cartel practices. The marketing of many domestic farm products, and of competing imports, is controlled by cartel-like organizations of producers, wholesalers, processors, and retailers. Prior to Switzerland's implementation of its Uruguay Round commitments in 1995, these organizations were frequently behind non-tariff import restrictions, with government support. These groups will continue to play an important role in formulating import policy.

Complaints regarding the system come primarily from consumer groups because once a producer or exporter (through a distributor) joins a cartel, the protection afforded is appealing. The new Swiss Cartel Law entered into force on July 1, 1996, and aims (per legal measures patterned on European Union competition policy) to stop anti-competitive practices on the part of "hard cartels". The so-called "soft cartels," however, may continue to enjoy dominant market share as long as they do not indulge in abusive practices such as price fixing or territorial or quantity allocation.

#### - Customs Regulations

Imported goods from the United States are subject to regular Swiss customs duties at the time of their importation. There is no specific free trade agreement between Switzerland and the USA.

#### - Tariff Rates

Generally speaking, Swiss duties are "specific" rather than "ad valorem". The customs duty varies according to the item imported; the Swiss customs tariff uses the Harmonized System (HS) for the classification of goods. Customs duties are levied per 100 kilograms of gross weight, unless some other method of calculation is specified in the tariff (e.g. per unit, per meter, per liter). The gross dutiable weight includes the actual

weight of the goods and their packaging, including the weight of any fixing material and supports on which the goods are placed.

- Custom Broker's Fees

These are subject to negotiation but some typical fees are listed below:

- Arrival costs (when shipped by air) SF 4.00/100 kg gross (for unloading aircraft payable to airport administration)

- Costs for customs clearance, if picked up at customs:

- 20 kg	SF 80.00
20 - 50 kg	89.00
50 - 100 kg	98.00
100 - 200 kg	107.00
200 - 300 kg	116.00
300 - 1000 kg	179.00
over 1000 kg	
for every additional 100 kg	+ 5.50

If items are not picked up at customs (and are forwarded by the broker), there is an additional 1 SF per parcel or a minimum of SF 10 per shipment.

- Truck deliveries: depending on weight and distance  
(e.g. up to 20 kg within a distance of 20 km costs SF 34.50)

These are the usual costs which are invoiced by the customs broker. Additional costs will arise if the customs broker advances funds, to be reimbursed by the recipient including the following:

- for freight charges: additional 2 % or min. SF 5.00
- for customs duties: additional 2 % or min. SF 5.00
- for VAT: 0.5 % or min. SF 2.00

Fees for special services if applicable:

- |                                     |              |
|-------------------------------------|--------------|
| - precious metal control            | per shipment |
| SF 39.00                            |              |
| - veterinarian inspection           | per shipment |
| SF 39.00                            |              |
| - plant inspection                  | per shipment |
| SF 39.00                            |              |
| - weight control                    | per 100 kg   |
| SF 03.40                            |              |
| - inspection of dangerous shipments |              |
| SF 34.00                            |              |

-Extra time charges (applicable for special shipments which require a considerable amount of time for inspection, unloading, unpacking, weight control etc.)

SF 39.00	minimum
SF 78.00	1 man/hour
SF 39.00	1 man/1/2 hour

-Definite clearance after provisional clearance:  
(goods which are subject to further customs procedures before the customs charges  
can be determined are given provisional clearance)

per document  
SF 37.00

- Geleitschein (free-pass certificate)  
Goods which are to be re-exported or transported to another customs office or a  
customs warehouse may be cleared on the basis of a "Geleitschein" or free-pass  
certificate.

	minimum
SF 10.00	
	maximum
SF 100.0	

- Prolongation of free-passes: per document  
SF 70.00
- Precious shipments extra charge  
100 %
- Clearance outside customs opening hours  
extra charge  
100 %
- Clearance on Sundays or public holidays  
extra charge  
200 %

The above fees are based on one major customs broker in Switzerland, however, these  
prices may vary from broker to broker.

- Import Taxes Including Value Added Taxes, Purchase Taxes, Uplifts and  
Surcharges, and Provincial Taxes

Value Added Tax: Imported goods and services are also subject to a VAT. The standard  
VAT rate is 7.6 percent, although there is a reduced rate of 2.3 percent for certain goods  
and services, such as foodstuffs, agricultural products (meats, cereals, plants, seed and  
flowers), medicine and drugs, newspapers, magazines, books and other printed  
materials as well as on services of radio and TV companies. Domestically produced  
goods pay the same rates.

The VAT will be levied at the border and is usually prepaid by the customs broker/freight  
forwarder who maintains an account with the Swiss Customs Administration  
(Oberzolldirektion). Some important Swiss importers maintain their own account.

Excise Taxes: Excise taxes are charged on certain goods such as cigarettes and spirits. There are also some special charges for "storage" in the case of various feeds and grains.

More information about excise taxes can be obtained from:  
For the importation of spirits:

Federal Administration of Alcohol  
Länggasstrasse 31  
CH-3005 Bern, Switzerland  
Tel. (41-31) 309 12 11  
Fax. (41-31) 309 15 00

For the importation of wine as well as other agricultural products:

Federal Office of External Economic Affairs  
Division Import-Export  
Zieglerstrasse 30  
CH-3000 Bern, Switzerland  
Tel. (41-31) 322 23 61  
Fax. (41-31) 322 78 55

Quotas: The allocation of import quotas for agricultural products varies from product to product, while some import quotas are auctioned, others are coupled with a domestic purchase requirement.

Environmental Taxes: Environmental taxes on imported items are collected by the importer/distributor on behalf of the competent government agencies and are known as "prepaid elimination fees". All environmental taxes are included in the final retail prices and, as a result, are borne by the consumers. Environmental taxes are used, in particular, to cover recycling costs and are presently applied on:

- cars SF 40.00 per unit
- bottles and cans depending on the material (aluminum, recyclable pet-labeled, glass etc.)
- Office and consumer electronics (based upon a voluntary industry agreement with SWICO (Schweizerischer Wirtschaftsverband der Informations-, Kommunikations- und Organisationstechnik)  
Badenerstrasse 356  
CH-8040 Zurich, Switzerland  
Tel: (41-1) 492 48 48  
Fax: (41-1) 492 35 09

-Batteries depending on type and weight (a voluntary industry agreement was replaced by a federal decree as of January 1999).

-VOC (Volatile Organic Compounds) SF 3.00 per kilogram (the goal being to eliminate VOC's wherever possible).

For further information on environmental taxes, please contact:

Bundesamt für Umwelt  
Wald & Landschaft (Environmental Protection Agency)  
Papiermühlestrasse 172



CH-3063 Ittigen/Bern, Switzerland  
Tel: (41-31) 322 93 11  
Fax: (41-31) 322 79 58

- Import License Requirements

Import licenses are required only for a limited number of products. These generally fall into two categories -- measures to protect local agriculture production, and measures of state control. To protect the agriculture sector and to maintain a degree of independence in case external supplies get cut off, Switzerland imposes quantitative restrictions on agricultural imports. Products under these restrictions include cattle, meat, milk and dairy products, indigenous fresh fruit and vegetables, seasonal cut flowers, cereals and forage products, wine and grape juice.

Products subject to a quota may not be imported without import licenses, which are granted only to importers based in Switzerland. Most quotas vary from year to year according to the size of harvests, volume of stocks and market requirements.

Import licenses are also required for certain products not subject to quotas, but which are covered by special regulations concerned with public health, plant health, quarantine (plants), veterinary regulations and regulations concerning the protection of species, safety measures, price control (for certain textile products), and measures for the protection of the Swiss economy and public morality. Such import licenses are again issued only to persons and firms domiciled in Switzerland.

- Temporary Goods Entry Requirements

Goods imported from abroad which are to be re-exported or transported to another customs office or a customs warehouse may be cleared on the basis of a "Begleitschein" or free-pass certificate. The importer must apply for the certificate from the Customs Administration and provide security for the customs charges applicable to the imported goods. The certificate must be presented to customs within the stipulated time, together with the goods in unchanged condition for re-export.

Goods transiting Switzerland must be declared for clearance at the point-of-entry customs office, covered by a national or international transit document (bond note, TIR carnet, T1/T2 dispatch declaration, or international waybill). These goods must be re-exported intact within the designated time limit. No transit duties or fees are levied.

A transit permit is required only for narcotic drugs, armaments, and nuclear fuels and their residues. In the case of direct transit by rail, duties and taxes are guaranteed by the railway authorities. The issuing authority is the guarantor of road transit covered by a TIR carnet. A surety or financial deposit is required for transit covered by a bond note or transit through the EU covered by a T1/T2 dispatch declaration.

Goods temporarily imported or exported for processing or repair may be eligible for customs favored treatment. Reduction in duty or duty-free treatment can be granted when justified by economic interests of Swiss industry. Authorization is granted only to residents who do the processing or repair themselves, or commission a third party. Authorization is for particular goods that are to undergo specified processing. Special conditions may be imposed for customs handling and supervision.

Goods for display at public exhibitions are eligible for free passage (Freipass) through Swiss customs. Certification from the trade fair authorities that the goods are entering Switzerland for the exhibition, is usually required. Exhibition goods must be re-exported within a month of the end of the exhibition. If the goods are sold to a Swiss resident off the exhibition floor, the buyer incurs a liability for the customs charges. Almost all fairgrounds have a customs office on site and charges can be easily handled.

#### - Special Import/Export Requirements and Certifications

All imported or exported goods must be presented to the appropriate customs office and declared for clearance. Goods imported into Switzerland must be declared to customs within the following time limits from arrival in the country: by road, 24 hours; river, 48 hours; rail, 7 days; and by air, 7 days. The importer may examine goods before submitting them for clearance. For Swiss customs purposes, an ordinary commercial invoice in duplicate or triplicate is considered sufficient documentation. The invoice should contain the following details: description of the products and packaging, gross and net weight of each package, quantity (in metric terms), country of origin, and value CIF (cost, insurance and freight) to the Swiss border. As Swiss duties are specific, indication of value is required only for statistical purposes. No consular or other stamp is required.

A certificate of origin is not normally required. An exception is if preferential duty rates are requested. Additionally, a certificate of origin may be required for health reasons (meats and plants) or for reasons of quality control (appellation wine).

Special health certificates, stamped by the competent authorities of the country of origin, are required for the import of horses, bovine animals, farm animals, certain domestic animals, bees and eggs for hatching, as well as for meat, game, seafood, beeswax and comb honey. Shipments of some vegetables, fresh fruits and wild plants must be accompanied by official plant health certificates of the country of origin.

Swiss importers are normally cooperative in informing the exporter of Swiss requirements, and in assisting in meeting those requirements from the Swiss side.

#### - Labeling Requirements

Swiss labeling requirements apply mostly to food products. False descriptions are strictly prohibited. As a rule, the label or packaging for sale to consumers must indicate the specific name of the product (in French, German or Italian), metric measure, sales price and unit price, weight of each component in the case of mixed products, and ingredients and additives in decreasing order of weight. All particulars of weight and measurements must comply with the regulations of the Federal Measurement Office (Eidg. Amt fuer Messwesen).

The Foodstuffs Ordinance specifies additional information that must be provided in the case of certain products, such as the name of the manufacturer or distributor, country of origin of the product, and 'use by' date. A growing number of distributors prefer to provide additional information on their labels, such as the 'EAN code' for computerized data retrieval, and/or the nutritional or energy value of the product.

Switzerland's food law is in general conformity with European Union food law. According to Swiss regulators, all standards are equal to or less strict than EU standards, except for aflatoxins, microtoxins, and certain pesticides such as the level of pesticides in water for drinking and food processing. The regulations cover all food products as well as tobacco and packaging and labeling standards.

#### - Testing and Certification

Switzerland imposes technical standards and testing and labeling requirements for certain products; Swiss electrical safety standards (SEV-Standards) require that electrical equipment be tested before it can be marketed; tests may be costly and time-consuming. In most cases, procedures can be simplified for those manufacturers whose equipment has already been cleared in another country participating in the CENELEC (European Committee for Electro-technical Standardization) Certification Agreement (CCA). Other certifying requirements apply to drugs (prescription and over-the-counter), which must receive approval from the inter-cantonal drug commission. Imported products must also be labeled in all three official languages (German, French, and Italian). As of October 1, 1995, individuals living in Switzerland have been able to import one US-made car of a single model type per year for personal use only, with (in most cases) only minor modifications, testing, and specifications requirements. An information sheet on the procedures is available from the Embassy's Commercial Section.

#### - Prohibited Imports

Strictly speaking, there are no prohibited imports in licit, commercial trade with Switzerland. The Swiss method of controlling unwanted imports is through the imposition of restrictions, quotas and other rules and regulations such as detailed in other parts of this section.

#### - Warranty and Non-warranty Repairs

In general, warranty of one year is offered for the following products:

- Electrical household goods (except spare parts)
- Electrical consumer goods (except spare parts)

Televisions, PCs, refrigerators generally have a warranty of 2 to 3 years depending upon agreement. The same applies to automobiles. Spare parts are always excluded.

Non-warranty products are: toys, food and clothing.

#### - Export Controls

The Government of Switzerland regulates the export, import, and transit of goods usable for civilian and military purposes and is an active member of all major export control regimes, including the Wassenaar Arrangement (WA), the Missile Technology Control Regime (MTCR), the Nuclear Supplier Group (NSG), the Australia Group (AG) and the Chemical Weapons Convention (CWC).

The Office of Export Controls and Sanctions within the Swiss Secretariat for Economic Affairs (SECO) is responsible for implementation of Swiss commitments pursuant to the multilateral export control regimes and can deny an export license if there is reason to assume that goods proposed for export would:

- a. be used for the development, production, or use of biological or chemical weapons;
- b. serve for the development, production, or use of nuclear weapons or of an unmanned missile for the delivery of nuclear, biological or chemical weapons or the proliferation of such weapons; or
- c. contribute to the conventional armaments of a state which, by its behavior endangers regional or global security.

Although Switzerland is not a UN member, it regularly adopts UN sanctions and denies export licenses if the UN, or states participating, together with Switzerland, in international export control measures, forbid the export of such goods. In certain cases, where there is a high likelihood of diversion of goods to WMD or missile uses, the Government of Switzerland applies the “catch-all” provisions of its export control law to deny export of goods not specifically included on any export control list.

The Government of Switzerland regularly cooperates with the U.S. and other governments to avoid the diversion of Swiss exports to WMD or missile uses and has taken steps to tighten its export controls in recent years. The U.S. and Swiss Governments have recently discussed the need to improve mechanisms for minimizing the risk that Swiss firms might be used as intermediaries for illicit transactions with entities of proliferation-risk and to strengthen Swiss monitoring and enforcement of export regulations. Accordingly, the Governments of Switzerland and the U.S. have recently initiated an export control dialogue as part of the U.S.-Swiss Joint Economic Commission (JEC). The first meeting of the U.S.-Swiss Export Control Dialogue will take place in Washington, D.C. in July 2001.

More detailed information about specific Swiss export control regulations is available online at: [www.seco.admin.ch](http://www.seco.admin.ch).

#### - Standards

The umbrella organization for Swiss standards is the Schweizerische Normen-Vereinigung (SNV, or Swiss Standards Association), a private, nonprofit association under Swiss law which groups Swiss governmental and private agencies and firms for the purpose of developing industrial standards and technical regulations. Certification rests with a variety of governmental and private agencies such as the Swiss Association of Machinery Manufacturers (VSM), Swiss Association of Electrical Apparatus Manufacturers (SEV), Federal Health Office, and the PTT. (See Appendix E for addresses.)

The SNV is in turn a member of the International Standards Organization (ISO) in Geneva, in which some 2,000 industry associations worldwide participate in the establishment of a system of quality management and recommendations. In its Series 9000, ISO has issued recommendations aiming at introducing some 20 issues in basic processes dealing with quality testing and management for manufactured products.

Swiss industry is increasingly adopting ISO 9000 standards. More Swiss producers are seeking certification, even though Swiss certification according to ISO standards is not

yet recognized by the European Union. To overcome this, Swiss exporters are turning to agents or their own subsidiaries in the EU to obtain equivalent certification under the EN 29000 series of European Quality Management Standards, or double certification through an international network of private quality management associations.

Swiss industries incorporating U.S. components in their end products, especially in machinery and instrumentation (key Swiss export commodities), increasingly specify ISO 9000 standards for imports. Under the EN 29000 directives issued by the EU, the equivalent ISO 9000 series of norms are becoming a sales factor in the EU, and in Switzerland, even when not explicitly stated.

In the service sector, the Swiss banking industry and financial institutions are gradually looking at ISO's Series 9001 recommendations, which deal with product or service development and design, as well as with training. The ISO Series 9001-9003 recommend specific approaches and processes in systematic quality control. 9003 concentrates on end testing. Among the 1,000 Swiss organizations which have been certified so far, two banking giants, Union Bank of Switzerland and Swiss Bank Corporation, were the first to seek certification under the 9001 series.

An increasing number of Swiss and other European (particularly German and Scandinavian) manufacturing companies are seeking environmental certification according to ISO 14001 standards as a complement to ISO 9000. An unexpected benefit of the environmental ISO 14001 certification process is the uncovering and elimination of waste in manufacturing, procurement, storage and waste management (recycling). ISO 14001 certification also covers compliance with the growing number of environmental standards and greatly facilitates the introduction of new-to-market products.

However, and at least as important as the above mentioned regulatory aspects, the resulting certification can be used in novel marketing techniques. Leading marketing specialists have found ISO 14001 to be an effective marketing tool, particularly in environmentally conscious and sensitive markets like Switzerland, Germany or the Scandinavian countries. The two main Swiss supermarket chains COOP and MIGROS, for example, have introduced a whole range of products manufactured by means of environmentally "friendly" processes and materials. Although somewhat more expensive, these product groups are the fastest growing. This trend, which is still in its beginning phase, is expected to take on significant dimensions in the years to come.

American manufacturers and exporters should be aware of this development and may wish to consider (while preparing for ISO 9000 certification) combining it with ISO 14001 certification (which may result in considerable cost savings).

Swiss industry, trade and quality management associations, as well as official agencies such as the Swiss Federal Testing Agency EMPA recommend or conduct audits. Switzerland is also represented within the private European Organization for Testing and Certification Group (EOTC). A system of joint audits offering reciprocal treatment has been introduced between participating quality control associations in different European countries under the so-called E-Q-NET (European Network for Quality System, Assessment and Certification). In addition, reciprocity for quality management certification is on the agenda of negotiations between the government of Switzerland and the EU.

## - Free Trade Zones/Warehouses

There are no free trade zones per se in Switzerland but there are four ways of maintaining goods not cleared through customs -- free ports, federal bonded warehouses, private bonded warehouses, and in transit in the Rhine River port of Basel. Free ports are considered extraterritorial, and goods may be stored indefinitely without customs inspection. Goods may be unpacked and repacked, as well as undergo certain processing such as analysis, sorting, mixing and sampling. Major processing resulting in changes of tariff classification may be undertaken only with customs authorization. One or more free ports exist in or near virtually every major city around the country.

Federal bonded warehouses, considered to be on Swiss customs territory, are subject to stricter regulations. Goods stored are under customs control, involving registration of arrivals and departures. Storage may not exceed five years, and only processing essential for the preservation of the goods may be undertaken. There are some dozen federal bonded warehouses.

Private bonded warehouses are operated by companies to store goods not cleared for free circulation through customs. Only wholesale traded goods are generally accepted. An import license or customs clearance note must be shown when goods covered by import restrictions or quotas are imported and cleared through customs for storage in a private bonded warehouse. Clearance for private storage is on the basis of a bond note, testifying to a cash deposit or bond to cover eventual customs charges.

The Rhine River port of Basel has transit warehouses for grain and similar goods for mass consumption; storage time is unlimited. Similar goods imported by ship in quantities of at least 12 tons may be stored for up to two years. Liquid fuels in transit are also stored.

## - Membership in Free Trade Associations

Switzerland is a member of the European Free Trade Area. EFTA members (currently Iceland, Liechtenstein, Norway, and Switzerland) maintain their own external tariffs, although tariff duties on trade in industrial products among member countries have been eliminated. EFTA countries have free trade agreements with the European Union, Romania, Poland, Czech Republic, Slovakia, Hungary, Bulgaria, Estonia, Lithuania, Israel and Turkey, (and soon Canada) providing duty-free trade in industrial goods and certain farm and fisheries products. Additional such agreements are foreseen for Slovenia, Albania, Macedonia, Egypt, Malta, Morocco, Tunisia, Cyprus, the Palestinian Authority, Jordan and Lebanon. Preferential or duty-free rates apply to goods imported from the EU-EFTA free trade area when an importer makes a request on the import declaration and produces a certificate of origin. The Swiss also accord tariff preferences under the GSP to developing countries.

In December 1992, the Swiss population voted against joining the European Economic Area (EEA), whose aim is to achieve more complete economic integration between EU and EFTA members. The reasons for the rejection were many and varied, but the opposition was successful in casting the vote as a proxy decision on future EU membership and instinctive fears of abandoning neutrality, ceding sovereignty to Brussels, and an unwanted influx of foreigners prevailed. Nonetheless, a referendum

seeking to force the Swiss government to retract the country's application for EU membership was rejected in May, 1997. The Government has been making a concerted effort to bring Swiss laws and regulations into line with those of the EU, and Switzerland recently concluded a package of seven sectoral agreements with the EU, known as "the Bilaterals" which will afford Switzerland many of the economic advantages that joining the EEA would have. The Bilaterals must still be ratified by all EU member states, thus entry into force isn't likely until 2001. While Swiss EU membership is the government's stated goal and opinion polls indicate that the population is gradually warming to the idea, any decision to join is likely still a number of years away.

## 7: INVESTMENT CLIMATE STATEMENT

### - Openness to Foreign Investment

The Swiss welcome foreign investment and accord it national treatment. At the Federal level, foreign investment is neither aggressively courted, nor is it hampered by any significant barriers. The federal government primarily confines itself to creating and maintaining the general conditions that are favorable both to Swiss and foreign investors. Such conditions include economic and political stability, a firmly established legal system, highly reliable and extensive infrastructure, and efficient capital markets. The Government does offer a few limited investment incentive programs, described below.

Many of Switzerland's 26 cantons make significant use of fiscal and other incentives to lure companies to establish operations and invest in their jurisdictions. Some of the more aggressive cantons will even waive taxes for new firms for up to ten years. Tax rates vary significantly from one canton to the next with the index of taxation on profits and net assets varying from 60 percent to 152 percent (with 100 being the average for all cantons).

The major laws governing foreign investment in Switzerland are the Swiss code of obligations, the Lex Friedrich, the securities law and the cartel law. There is no general screening of foreign investment nor are there any sectoral or geographical preferences or restrictions except as described below in the section on performance requirements or incentives.

With the exception of areas considered essential to national security, such as hydroelectric and nuclear power, operation of oil pipelines, transportation of explosive materials, operation of airlines and marine navigation, national treatment is granted to foreign investors. In addition, by law, Swiss airlines must be majority owned (i.e., at least 51 percent) by Swiss individuals or firms.

With a new law which took effect January 1, 1998, the telecommunications sector, previously controlled by the state-owned PTT monopoly, was fully liberalized. The former PTT (Post and Telephone company) has been split into a postal service company which remains a state enterprise, and a telecommunications company ("Swisscom") which has been privatized (although roughly two-thirds of the shares are still held by the government). In order to allow Swisscom to take better advantage of international corporate alliances and commercial opportunities, a debate is underway concerning whether the government should divest itself of additional shares, perhaps a

sufficient quantity to relinquish effective control. As evidence of the changing competitive climate in this sector, the Swiss telecommunications company "DIAX," forty percent owned by a large U.S. telecommunication company, was awarded one of the three licenses to provide cellular phone services and the company has captured a large share of this market (DiAx has since been taken over by TDC (TeleDenmark Corporation, which is also partly owned by a US company). The Swiss government has also developed proposals to privatize the railways. Under these proposals foreign investment in this sector will be permitted.

- Conversion and Transfer Policies

There is complete freedom of transfer of investment income, royalties, and repatriation of capital. There are no Swiss government policies or laws which would regulate or limit the inflow or outflow of capital. Foreign exchange markets are free and access to foreign exchange is uncontrolled. Swiss foreign exchange markets are highly developed and efficient. There is no need for a parallel system for the repatriation of capital or profit.

- Expropriation and Compensation

Property rights are assured by the Swiss constitution. Within the framework of their constitutional powers, the federal and cantonal governments can, through a legal process, expropriate or restrict property for reasons of public interest. In the event of expropriation or property restriction, full compensation must be made. Disputes are settled by an independent court, as required by the European Human Rights Convention. As a general rule, recourse to expropriation is taken only in cases involving major public construction projects, such as highways, railroads or airports. The embassy is unaware of any major expropriations or restrictions in the recent past involving foreign investments.

- Dispute Settlement

The embassy is not aware of any significant investment disputes which have occurred in recent years. The Swiss legal system includes commercial and bankruptcy laws which provide for sufficient protection of secured interests in property. Laws are consistently applied and enforced. Switzerland has been a member of the international center for the settlement of investment disputes (ICSID) from its inception in 1966.

- Performance Requirements/Incentives

The government offers few large-scale incentives to prospective investors, and those that exist are open to foreign and domestic investors alike. The principal incentives provided by the federal government consist of low-interest loans to promote the hotel and catering/restaurant industry in remote mountain regions.

A federal incentive program designed to attract investment to "economically fragile" regions of Switzerland (generally in the Italian and French linguistic regions) expired in June 1996 and was not renewed. Pursuant to a new law, a more decentralized system entered into force January 1, 1998. This program provides federal loan guarantees for certain investments in economically less developed cantons while devolving much of the authority to administer the funds and create incentive programs to the cantonal



governments. Such incentives may include loan guarantees, tax incentives and interest subsidies. The cantonal government must match federal government commitments for each project. Interest subsidies are granted for a maximum of five years and cannot exceed one quarter of the usual commercial interest payments.

Some cantons offer investment incentive programs for domestic as well as foreign investment, in particular in rural areas. Indeed, priority is often given to foreign businesses which bring new, high technology product lines. The most common incentives are: subsidies or loans by cantons for the development of industrial sites; cantonal guarantees on bank loans; capital loans at below-market interest rates; grants for facilities conducting research and development projects; subsidies to defray certain investment costs and to finance staff training; exemptions from taxes on profits and capital gains for specific periods; and liberal depreciation allowances.

Performance requirements, whether linked to incentives or other investment-related conditions, do not exist. There are no requirements to source locally, export production, or derive foreign exchange from production. There is no requirement that nationals own equity in foreign investments, that the share of foreign equity be reduced over time, or that technology be transferred on certain terms.

A new law went into effect in May of 2000 which is intended to promote establishment of new business and entrepreneurship generally by granting tax breaks and incentives to both venture capital funds and individuals that invest in start-ups.

There are no conditions on permission to invest related to geographical area (with the exception of investment incentives noted above), percentage of local content or equity, import substitution, export requirements or targets, employment of nationals, technology transfer, or local financing.

Government financed or subsidized research and development programs are open to foreign companies with operations in Switzerland. Major U.S. companies have regularly participated in research projects funded by the Swiss government.

Visas and residence and work permits are strictly controlled in Switzerland. The country recently changed from a three-tier system for issuing work permits to a two-tier system. Under the previous system, citizens of EU countries were in the first tier and enjoyed liberal access to work permits. The second tier was comprised of the U.S., Canada, Australia and New Zealand and citizens of these countries generally received favorable consideration for work permits. The "rest of the world" made up the third tier and these nationalities generally had the most difficulty obtaining work permits except in cases of very highly qualified applicants. Under the new system, the second tier has been eliminated and those countries placed with the rest of the world. While on the surface this would appear to be a negative development for U.S. work permit applicants, Swiss officials are adamant that the impact on U.S. work permit applicants should be negligible as these applicants are generally among the most highly qualified of all national groups. The embassy has received no information to date that Americans are finding it any more difficult to obtain a work permit than previously. In any event, the issue of work permits for Americans has not represented a significant barrier to investment.

In the past, foreigners who did not have a residence permit for Switzerland, or companies based outside of the country, could find it difficult to acquire property for the

purpose of establishing a business (or for purchase of a residence) due to the so-called "Lex Friedrich." This situation has eased considerably with the recent enactment of the "Lex Koller" which now means that special permits are generally not required for foreign entities wishing to acquire property for the purpose of operating an economic activity.

There are no discriminatory export and import policies which seriously affect foreign investors. There is a requirement that imported products be labeled in all three official languages (German, French and Italian). All drugs (prescription and over-the-counter) must be approved and registered by the quasi-official inter-cantonal drug inspection agency, known by its German acronym "IKS." However, these measures cannot be considered as discriminatory since they apply to all importers and distributors. Import duties are generally low, under three percent for most raw materials and industrial products and preferential duties are offered to a large number of developing countries. Imports of virtually all agriculture products, regardless of their origin, are subject to import duties and to variable import quotas. To fulfill its WTO agriculture commitments made during the Uruguay round, Switzerland is in the process of converting non-tariff barriers (such as quotas) to tariffs and has also lowered existing tariffs on a range of imported agricultural products. Nonetheless, Swiss agriculture remains among the most heavily subsidized in the world.

#### - Right to Private Ownership and Establishment

Foreign and domestic enterprises may engage in all forms of remunerative activities and may freely establish, acquire and dispose of interests in business enterprises. However, the following legal restrictions apply:

Corporate boards: there are no laws authorizing private firms to limit or prohibit foreign investment or participation. The board of directors of a company registered in Switzerland must consist of a majority of Swiss citizens, residing in Switzerland. At least one member of the board of directors authorized to represent the company (i.e., sign legal documents) must be domiciled in Switzerland. If the board of directors consists of a single person, this person must have Swiss citizenship and be domiciled in Switzerland. Foreign controlled companies usually meet these requirements by nominating Swiss directors who hold shares and perform functions on a fiduciary basis. Mitigating these requirements is the fact that the manager of a company need not be a Swiss citizen and company shares can be overwhelmingly held by foreigners (except for banks). The establishment of commercial presence by persons or enterprises without legal personality under Swiss law requires an establishment authorization according to cantonal law. The aforementioned requirements do not appear to pose any hardship or impediment for U.S. investors.

Hostile takeovers: Swiss corporate shares can be issued both as registered shares (in the name of the holder) or bearer shares. Provided their shares are not quoted on the stock exchange, Swiss companies may in their articles of incorporation impose certain restrictions on the transfer of registered shares to prevent unfriendly takeovers by domestic or foreign companies (article 685a of the Code of Obligations). Unwelcome takeovers can also be warded off by public companies, but legislation introduced in 1992 has made this practice more difficult. Public companies must now cite in their statutes significant reasons, relevant for the survival, conduct and purpose of their business, to prevent or hinder a takeover by an outsider. As a further measure, public corporations may limit the number of registered shares that can be held by any one

shareholder to a certain percentage of the issued registered stock. As practice has shown, most corporations limit the number of shares to between two and five percent of the relevant stock. Under the public takeover provisions of the new stock exchange and securities law (for which the implementing decree entered into effect in 1997), a formal notification is required for public takeover offers for Swiss companies on the Swiss exchange. Additionally, an "opt out" clause is available for firms which do not want to be forcibly taken over by a hostile bidder, but such opt outs must be approved by a super-majority of shareholders and well in advance of any takeover attempt (i.e., not to thwart such an attempt which has already been launched).

Foreign financial institutions: those wishing to establish operations in Switzerland must obtain prior approval from the Swiss Banking Commission. This is granted if the following conditions are met: reciprocity on the part of the foreign state; the foreign bank's name must not give the impression that the bank is a Swiss one; the bank must adhere to Swiss monetary and credit policy; a majority of the bank's management must have their permanent residence in Switzerland. Otherwise, foreign banks are subject to the same regulatory requirements as domestic banks. A new banking law which entered into force in 1995 enables foreign banks to set up branches, subsidiaries or representations without the prior approval by the banking commission (based on reciprocity). Banks organized under Swiss law have to inform the Banking Commission before they open up a branch, subsidiary or representation abroad. Foreign or domestic investors have to inform the Banking Commission before acquiring or disposing of a qualified majority of shares of a bank organized under Swiss law. In case of exceptional temporary capital outflows threatening Swiss monetary policy, banks can be obliged to seek approval from the Swiss national bank to issue foreign bonds or other financial instruments that would cause capital outflow.

Insurance: Is subject to an ordinance which requires the placement of all risks physically situated in Switzerland with companies located in the country. Therefore, it is necessary for foreign insurers wishing to provide liability coverage in Switzerland to establish a subsidiary or branch there.

With the exception of those few sectors in which Swiss-owned enterprises have been granted a legally established monopoly (i.e., railways, air transport, fire insurance and utilities), non-discriminatory competition between foreign and domestic commercial entities prevails.

#### - Protection of Property Rights

Secured interests in property are recognized and enforced, and mortgages are widely used. The legal system effectively protects and facilitates the acquisition and disposition of all property rights. Switzerland is a member of all major international intellectual property rights conventions and was an active supporter of a strong IPR text in the GATT Uruguay round negotiations. Switzerland has one of the best regimes in the world for the protection of intellectual property, and protection is afforded equally to foreign and domestic rights holders.

Patent protection is very broad, and Swiss law provides rights to inventors that are comparable to those available in the United States. Switzerland is a member of both the European Patent Convention and the Patent Cooperation Treaty, making it possible for inventors to file a single patent application in the United States (or other PCT country, or

any member of the European Patent Convention) and receive protection in Switzerland. If filed in Switzerland, a patent application must be made in one of the country's three official languages (German, French, Italian) and must be accompanied by detailed specifications and if necessary by technical drawings. The duration of a patent is 20 years. Patents are not renewable beyond the original 20-year term, but patent term restoration is possible for products such as pharmaceuticals which require an extensive testing period prior to marketing. According to the Swiss Patent Law of 1954, as amended, the following items cannot be covered by patent protection: surgical, therapy and diagnostic processes for application on humans and animals; inventions liable to disturb law and order and offend "good morals." Nor are patents granted for species of plants and animals and biological processes for their breeding. In virtually all other areas, coverage is identical to that in the United States. Should an American firm have concerns about possible patent infringement in Switzerland, access to the courts is readily available and there is a well-established and highly regarded patent bar.

A new copyright law in 1993 improved a regime that was already quite good. The new law explicitly recognizes computer software as literary works and establishes a remuneration scheme for private copying of audio and video works which distributes proceeds on the basis of national treatment. Owners of television programming are fully protected and remunerated for rebroadcast and satellite retransmission of their works, and rights holders have exclusive rental rights. Collecting societies are well established. Infringement is considered a criminal offense. The term of protection is life plus 70 years.

Trademarks are also well-protected. Switzerland recognizes well-known trademarks and has established simple procedures to register and renew all marks. The initial period of protection is 20 years. Service marks also enjoy full protection. Trademark infringement is very rare in Switzerland -- street vendors are relatively scarce here, and even they tend to shy away from illegitimate or gray-market products.

The Swiss also protect layout designs of semiconductor integrated circuits, trade secrets, and industrial designs. Protection for integrated circuits and trade secrets is very similar to that available in the United States, and protection for designs is somewhat broader. Because of the complexities involved in ensuring protection in each of these areas, individuals and corporations seeking protection are advised to engage the services of a lawyer specialized in these fields.

To bring Switzerland into conformity with its TRIPS commitment dating from the WTO Uruguay Round, Swiss authorities have established a 10-year protection period for test data submitted as part of the pharmaceutical approval process.

#### - Transparency of the Regulatory System

Regulations affecting both local and foreign investors in Switzerland are transparent and evenly applied in a non-discriminatory manner.

In the past, cartels were endemic to the Swiss economy. Companies in a number of industrial and service branches had organized themselves, through trade and industry associations, into horizontal and vertical cartels. Such arrangements existed in the market for prescribed medicines, sanitary ware, kitchen equipment, optical products, books, beverages, food retailing, dietary products, and many other sectors of the

economy. With the entry into force in July 1996 of a new cartel law, the government took concrete steps to improve the competition environment and to bolster its powers to bring this about. With the tougher laws and generally greater recognition in society of the need for improved competition, the situation has been improving in recent years. However, the '96 law, like its predecessor, does not automatically prohibit cartels. Only so-called "hard cartels," in which clear evidence of market distortion exists, are to be examined and potentially sanctioned or dismantled under the new legislation. Foreign investments are subject to review by the competition commission if the value of the investing firm's sales reaches certain worldwide or Swiss-market thresholds. An investment or joint venture by a foreign firm could be disapproved on grounds of competition policy, although there is no indication that this possibility will have a discriminatory effect. The Economic Department has won enactment of new legislation that will further strengthen Switzerland's anti-trust regime by allowing punishment for first offenses, impose harsher penalties for violations, and eliminate the industry and labor federation representatives' seats from the Competition Commission.

A number of administrative requirements restrict retail operations in the domestic market. Some of these are planning regulations, local building codes, advertising restrictions, standards for equipment, approval procedures, and opening hours for shops, to name but a few. Such measures are non-discriminatory, although their effect can be to limit possibilities for large discount retailers. Bureaucratic procedures are numerous but efficient, transparent, and non-discriminatory.

#### - Efficient Capital Markets and Portfolio Investment

The efficiency of the Swiss capital market is well demonstrated by the role of Switzerland as one of the leading financial centers in the world. The Swiss Franc denominated foreign bond market is one of the largest markets for foreign borrowers, and Zurich is one of the largest gold trading centers in the world. There are no restrictions on the purchase or sale of foreign currencies and equities. Residents and non-residents may conclude foreign exchange contracts, whether to facilitate trade or when purely financial in nature, in all currencies. All forward transactions can be made at prevailing market rates, by foreigners and Swiss nationals. Payments for imports from all sources may be made freely, and exporters can freely transfer their proceeds. The repatriation of invested capital is unrestricted.

The Swiss credit market is open to foreign investors without any restrictions, and at the same terms and conditions as for Swiss investors. A variety of credit instruments are available to the private sector.

With the exception of hidden reserves that companies in Switzerland are entitled to hold, legal, regulatory, and accounting systems are transparent and consistent with international norms.

To prevent misuse of the very liberal market framework, provisions to regulate certain aspects of portfolio investment have been enacted. One is the due diligence convention among Swiss banks, under which banks must identify the beneficial owner of the invested funds. Further, the Swiss penal code has explicitly recognized money laundering as a criminal offense since August 1990. A second package of measures, which came into effect in August 1994, criminalized membership in or support of a criminal organization. The change in the law facilitates confiscation of illicitly acquired

assets without having to establish an exact linkage between a given asset and a specific crime. In addition, the revised penal code allows bank employees to report suspicious transactions without fear of violating the bank secrecy regulations. In 1998, a third package of measures entered into force which extended money laundering regulations to non-banking financial institutions and established an obligation to report suspicious transactions.

In 1999, total assets of the country's two largest banks were SF 1,505 billion (\$941 billion), representing 67 percent of all bank assets in Switzerland. Triggered by a crisis in the real estate market in 1991, the Swiss banking industry underwent structural change during the 1990's, characterized by consolidation (i.e., bank closures and mergers) and a reduction in the number of persons employed in the banking industry. These developments had the greatest impact on regional and local banks. With the exception of the closure of some banks by the federal banking commission, the process evolved smoothly and without any losses for depositors. The Swiss banking system is considered among the world's most advanced, stable, and healthy.

Foreign investment is not restricted by 'cross-shareholding' or 'stable shareholder' arrangements. There is no discrimination against foreign investors, except for those limitations cited under the section "right to private ownership and establishment." Special measures available to Swiss firms to defend against hostile takeovers are covered under the above section as well.

There are no private or government efforts to restrict foreign participation in industry standards-setting. There are no other practices by private firms to restrict foreign investment, participation, or control of domestic enterprises.

#### - Political Violence

Switzerland has long been characterized by political and social stability and there are no indications that this is fundamentally changing.

#### - Corruption

Switzerland has an effective legal and policy framework to combat domestic corruption. Laws are enforced effectively. U.S. firms investing in Switzerland have not complained of corruption. Corruption is not pervasive in any area or sector of the Swiss economy. Switzerland maintains effective investigatory and enforcement procedures to combat domestic corruption. Giving or accepting bribes within Switzerland is a crime subject to criminal and civil penalties including imprisonment and fines.

Switzerland signed the OECD Anti-Bribery Convention on December 17, 1997, and the implementing legislation received final parliamentary passage on December 22, 1999. After a mandatory waiting period of a number of months (the so-called "referendum period"), the legislation took final effect in May of 2000 and Switzerland deposited its instrument of ratification in the same month. Also in keeping with an OECD recommendation, Switzerland has recently passed a law prohibiting the tax deductibility of bribes. The Swiss parliament has amended the criminal code to make bribery of foreign public officials an offense. Legislation has been introduced to establish criminal liability for legal entities (i.e., companies) to include their criminal liability for bribery

(revision of article 102 of the general articles of the criminal code). Swiss authorities expect to have this legislation fully implemented in the 2002/2003 timeframe.

There is at present no government agency specifically mandated to combat corruption. Domestic corruption is investigated by the police and prosecuting authorities at the federal and other levels of government. The extent of past bribery on the part of Swiss firms abroad is impossible to assess but, in any event, the recently enacted OECD-consistent anti-bribery legislation likely will have the intended affect on Swiss firms and their representatives.

#### - Bilateral Investment Agreements

To date Switzerland has concluded 100 investment protection treaties with developing countries and new market economies. Of these, 91 are in force, with: Albania, Argentina, Barbados, Belarus, Benin, Bolivia, Botswana, Bulgaria, Burkina Faso, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, China, Congo, Costa Rica, Croatia, Cuba, Czech Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Gambia, Ghana, Guinea, Hong Kong, Hungary, India, Indonesia, Ivory Coast, Jamaica, Jordan, Kazakhstan, Korea, Kuwait, Laos, Latvia, Lebanon, Liberia, Lithuania, Macedonia, Madagascar, Malaysia, Mali, Malta, Mauritania, Mauritius, Mexico, Moldova, Mongolia, Morocco, Namibia, Nicaragua, Niger, North Korea, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Romania, Russia, Rwanda, Senegal, Singapore, Slovakia, Slovenia, South Africa, South Korea, Sri Lanka, Sudan, Syria, Tanzania, Thailand, Togo, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, Vietnam, Zaire, Zambia, and Zimbabwe.

Ten treaties have been signed, but not yet ratified, with: Armenia, Bangladesh, Brazil, Chile, Costa Rica, Djibouti, Iran, Jordan, Kyrgyzstan, and Nigeria.

#### - OPIC and Other Investment Insurance Programs

OPIC is not active in Switzerland. However, Switzerland is a member of the Multilateral Investment Guarantee Agency.

#### - Labor

The Swiss labor force is highly educated and skilled. Many low-skilled, low-wage jobs are filled by foreigners, who account for roughly 25 percent of the official labor force estimate of approximately 3.9 million people. Only 4.7 percent of the workforce is in agriculture. Almost all of the remainder are engaged in services or industrial manufacturing, much of which involves high-technology. Swiss workers expect high wages and salaries, although a lack of a minimum wage law results in comparatively low wages for unskilled workers. Because skilled wages in Switzerland are among the highest in the world, the Swiss economy is capital intensive and geared toward high value-added products and services.

Switzerland is in full compliance with the ILO convention. Government regulations cover maximum work hours, minimum length of holidays, sick leave and compulsory military service, contract termination, and other requirements. Employees in the retail sector and in restaurants, bars, and the like, in cooperation with other interests, have been

successful in slowing reform of the restrictive federal and cantonal laws governing opening hours. The opening hours restrictions, however, are loosening gradually.

About one-third of the country's full-time workers are unionized. In general, labor/management relations are excellent. They are characterized by a willingness on both sides to settle disputes by negotiations rather than by labor action; days lost to strikes are among the lowest in the OECD. Over the last few years, however, there has been a discernible trend toward greater numbers of peaceful street demonstrations by groups seeking to gain greater public profile for their demands or groups facing layoffs due to corporate mergers or restructuring.

#### - Foreign Trade Zones/Free Ports

Swiss international airports have stores offering duty free shopping. In addition, private companies can utilize duty free warehouses which allow them to import goods into Switzerland tax and duty free so long as the goods are subsequently re-exported to third countries. In each of these examples, foreign-owned companies receive the same treatment as domestic ones.

#### - Foreign Direct Investment Statistics

(in millions of \$; for each year, Swiss Francs have been converted to dollars at the average annual exchange rate; 1999 figures are provisional; FDI stocks are book values)

	1997
1998	1999
FDI stocks in Switzerland:	
total stocks	56,584
68,346	83,065
in pct of current GDP	22.0
26.0	32.0
largest investors	
USA	12,722
19,196	26,597
Netherlands	11,636
13,583	14,811
Germany	9,733
10,996	10,817
France	7,107
8,201	10,620
industry sectors	
chemical and plastic	3,549
5,390	4,933
metals and machines	1,433
1,740	689
electronics, energy, optic, watches	4,535
4,540	6,201
other industries and construction	1,131
1,367	3,010
trade	6,742
8,697	10,267



finance and holding companies	25,836		
30,120	36,097		
banks	10,568		
11,670	11,886		
insurance companies			
2,854	6,062		
FDI inflows to Switzerland			
total	4,945		
8,940	11,406		
as pct of current GDP	1.9	3.4	4.4
stocks of Swiss FDI abroad:			
total	159,810		
174,894	205,199		
as pct of GDP	62.3		
66.6	79.1		
country of destination			
USA	39,320		
39,764	45,177		
United Kingdom	19,471		
22,460	23,707		
Germany	13,457		
13,035	17,431		
Netherlands	11,141		
11,601	12,481		
France	8,594		
9,407	10,367		
industry sectors			
textile and clothes	499		
1,221	1,053		
chemical and plastic	24,085		
30,836	28,103		
metals and machines	10,592		
11,773	11,510		
electronics, energy, optic, watches	13,793		
13,194	9,738		
other industries and construction	20,542		
16,672	19,301		
trade	5,028		
6,101	8,352		
finance and holding companies	27,495		
38,225	51,529		
banks	16,532		
12,863	18,426		
insurance companies	37,653		
38,391	44,799		
transport and communication	2,069		
2,243	4,673		
other services	4,253		
3,376	7,717		

FDI outflows from Switzerland				
total	17,748			
	18,765			
	36,003			
as pct of current GDP	6.9	7.1		13.9

source: Swiss

National Bank quarterly report; December 2000

A list of the largest U.S. investors by number of employees follows (data on the size of the firms' investments were not available):

		1999	2000
1. (1.)	McDonald's Corporation	5,500	6,500
2. (2.)	IBM Int'l Business Machines	3,000	3,200
3. (4)	PricewaterhouseCoopers	2,900	2,900
4. (3.)	Philip Morris Companies	2,900	2,300
5. (6.)	Johnson & Johnson Int'l	1,200	1,400
6. (-)	Proctor & Gamble		1,400
7. (5.)	DHL	1,300	1,200
8. (8.)	Compaq Computer Corporation	1,100	1,200
9. (13.)	Rockwell automation	820	1,000
10.	Texas Pacific Group		1000

(numbers in parentheses indicates 1999 ranking)  
source: Swiss-American Chamber of Commerce.

It is estimated that 65,000 employees work for U.S. companies in Switzerland.

## 8: TRADE AND PROJECT FINANCING

### Brief Description of Banking System

Switzerland is one of the world's foremost banking and financial centers. The banking network is highly developed and Swiss banks are among the world's leaders in specialized fields such as private banking and asset management. At the same time, most larger banks offer a comprehensive range of services.

The Central Bank: The Swiss National Bank, incorporated in 1905, has executive offices in Bern and Zurich and branch offices in eight other cities. More than one-half of its share capital is held by the cantons, the cantonal banks and other public bodies; the remaining shares are owned by Swiss citizens. Although the federal government is not a shareholder, it has statutory power to appoint 25 of the bank's 40 council members, including the president, vice-president, and board of directors. Further, the federal government approves the bank's regulations, its annual report and financial statements.

Supervision of the National Bank is the responsibility of the Bank Council, which appoints ten of its members to the Executive Committee. The latter meets at least monthly and consults with the three-member board of directors on the setting of interest rates. The SNB has an arrangement with Liechtenstein to permit it to use the SF as its currency and the SNB clears Liechtenstein's transactions.

The most important duties of the National Bank include the determination and implementation of monetary and credit policy, the exclusive right to issue or withdraw bank notes and coins, and serving as a clearing-house for interbank transfers. Swiss National Bank approval is required for capital exports by banks and bank-like finance companies, such as loans or new issues, in excess of SF 10 million (\$ 6.25 million) and for longer than one year. The supervision of banks and the banking system as such, however, is the duty of the Federal Banking Commission located in Bern. The Federal Banking Commission reports to the Finance Ministry, although it is independent in legal structure.

**The Banking Market:** The total assets of the Swiss banking system at the end of 2000 amounted to SF 2,125 billion (\$ 1,257 billion). The banking market covers eight categories of banks and finance companies subject to Swiss National Bank reporting requirements:

**Cantonal banks:** There are 24 cantonal banks (owned by the cantonal government) involved mainly in acceptance of savings deposits, granting of mortgages or debentures to satisfy local commercial and private credit needs, and granting loans to public authorities. Several cantonal banks experienced serious problems during the mid 1990's as a result of sharp declines in the real estate market. As a consequence, the cantonal banks of Solothurn and Appenzell were taken over by the United Bank of Switzerland.

**Big banks:** The two big banks (United Bank of Switzerland (UBS) and the Credit Suisse Group) are universal banks engaged in all types of banking business -- acceptance of deposits, provision of credit facilities, mortgage loans, dealing in foreign exchange and precious metals, portfolio management, underwriting, etc. As members of the stock exchange in Zurich, they deal in securities. The formation and management of investment trust and mutual funds are also features of the big banks' securities dealing and portfolio management business. The big banks are represented in all major financial centers abroad.

**Regional and savings banks:** Originally founded as mortgage and savings banks, regional and savings banks are now beginning to expand their services. Although similar to cantonal banks by virtue of their local character, most regional and savings banks are corporations or cooperative societies.

**Lending associations:** The Federation of Raiffeisenkassen and the Federation Vaudoise de Credit Mutuel are made up of legally independent cooperative societies, established in small communities all over the country. The main purpose of these banks, largely used by farmers and small business owners, is to utilize resources of local communities, which are re-circulated as credit at favorable interest rates.

**Other banks:** The domestically-owned banks in this category are mainly closely-held private corporations; they are engaged in all types of banking activity and are located

primarily in Zurich, Geneva, Lugano, and Lausanne. The foreign-controlled "other banks" established as limited companies cover a wide variety of specialist areas.

**Finance companies:** Companies whose assets consist primarily of long-term loans to, and investments in, other companies are considered finance companies. If funds are publicly raised, such companies are treated as banks. If funds are raised through intra-group funding or bank loans, they need only comply with Articles 7 and 8 of the Swiss Banking Law, which require them to provide annual financial statements and statistical information to the National Bank and to seek permission before making significant foreign investments (over SF 10 million and for longer than one year). If financing is only through bond issues, no specific Banking Law rules apply. In recent years, finance companies have been established by foreign banks to maintain a presence on the Swiss market (for bond issues, foreign exchange and securities dealing, portfolio management) with minimal formal requirements. In 1990 the Federal Banking Commission introduced a new definition for companies to be fully subject to the Banking Law. All entities financing themselves to a large degree from a number of unrelated persons or corporations or who participate in public issues of securities or rights with a similar function and which publicly offer these securities on the primary market now qualify as banks. Bank-like finance companies active in these areas must comply with all Banking Law rules.

**Private banks:** These are generally organized as partnerships and bear the name of at least one partner with unlimited liability. Their main business includes portfolio management, underwriting, new issues, and stock exchange transactions.

**Branches of foreign banks:** A number of foreign-controlled banks, some of which are universal banks, operate as branches.

**The Important Role of Foreign Banks:** Foreign banks play a very prominent role in the Swiss banking sector. At the end of 2000, foreign banks and bank-like finance companies comprised 40.0 percent of total banking institutions in Switzerland, accounting for about 8 percent of total assets. The number of foreign institutions has grown steadily in recent years, with assets reaching SF 181 billion in 2000 (\$ 107 billion). North American banks account for about 20 percent of the foreign bank population.

The many attractions of Switzerland as a place of business for foreign banks include:

- Political and economic stability of the country
- Legally protected banking secrecy
- Presence in one of the world's important financial centers
- Foreign banking facility for domestic customers
- Contact with Swiss companies with business interests in the country of the foreign bank
- Portfolio management services
- Facilities for raising funds at relatively low interest/tax rates for reinvestment abroad

**Specialized Financial Institutions:** In addition to the companies described above, specialized financial institutions exist for the clearing of funds and securities, as follows:

Postal check system: Run by the governmental postal service, it is the main system used by individuals for settling local currency denominated obligations. Many companies maintain a postal check account, primarily to facilitate collection of remittances from customers.

Local currency denominated interbank clearing: handled by a computerized system (SIC -- Swiss Interbank Clearing) run under the auspices of the Swiss National Bank by Telekurs AG, a service company owned by all participating Swiss banks.

Swiss securities: in most instances, these are cleared by banks through SEGA (Schweiz. Effekten-Giro AG), another service company owned by participating Swiss banks.

Swiss Corporation for International Securities Settlements (Intersettle): Intersettle started operations in June 1989, offering banks and finance companies in Switzerland an electronic clearing system for securities traded in Switzerland and abroad.

Eurex: formed by the merger of the Swiss Options and Financial Futures Exchange (SOFFEX), and the German Futures and Options Exchange (DTB), created a global leader in derivatives trading.

Specialized financial services are also offered by banks. For example, some large Swiss banks have subsidiaries engaged in leasing and factoring, bill discounting, installment purchase, and international trade finance. Certain private bank institutions also specialize in these particular fields of finance. In addition, some commercial banks now offer insurance in cooperation with insurance companies.

2000 Performance of the Banking System: At the end of 2000, 375 (1999: 372) banks submitted their financial statements to the Swiss National Bank (SNB) and the Swiss banks recorded another year of solid gains. In 2000 they lifted their gross profit by 18.5% to SF 31.2 billion. Compared with the previous year, the balance sheet total of the 375 reporting banks declined by 5.3% (1999: +5.4%) to SF 2,125 (\$1,257) billion. The decrease is entirely due to a changed recording method with respect to securities lending and borrowing, which is now treated as off-balance sheet business. Credit balances and liabilities denominated in foreign currency increased by 14% and 19% respectively whereas the Swiss franc business increase was more modest.

Since 1999 complete statistics have been compiled on the securities portfolios of customers managed by domestic banks. At the end of 2000, these totaled SF 3,716 (1999: 3,437) billion; SF 1,661 (1,591) billion were accounted for by domestic customers, SF 2,056 (1,847) billion by foreign customers.

Developments in Banking Legislation: A new banking law entered into force January 1, 1995. The law permits foreign banks to open subsidiaries, branches, or representative offices in Switzerland without approval by the FBC. This opportunity is based upon reciprocity, and requires a prior agreement between Switzerland and foreign governments. The new law also requires banks to announce any acquisition or sale of its shares by a major shareholder (minimum 10 percent of capital or voting rights) to the FBC (shareholders engaging in such activity must notify the bank). Major shareholders of a bank can also be held liable for improper conduct by the bank. To enforce compliance with these shareholder requirements, the FBC is authorized to block their

voting rights if they fail to comply. In addition, the FBC can now provide information to foreign law enforcement authorities in cases covered by mutual legal assistance agreements. The Swiss government recognized that rapid and efficient international cooperation in criminal proceedings is in the interest of Switzerland as a financial center.

A new law on investment funds entered into force at the beginning of 1995 whose main purpose was to make Swiss practice compatible with EU legislation. This law removed all restrictions on the type of assets investment funds can hold to encourage financial institutions to keep funds in Switzerland.

The "Federal Law on Combating Money Laundering in the Financial Sector" took effect in 1998 and strengthened due diligence obligations on the part of banks and other financial intermediaries. Officials believe this legislation puts Switzerland among the leading countries in terms of establishing a legal framework with which to effectively combat money laundering.

#### - Foreign Exchange Controls Affecting Trade

The Swiss franc is freely convertible. With the exception of certain regulations applicable to banks and finance companies, there are no exchange controls. The National Bank has authority to introduce measures concerning minimum reserve requirements, foreign currency position, foreign source funds and a calendar for public issues of bonds and shares, but these are intended for use only to counter exceptional circumstances such as massive speculation resulting in permanent over-valuation of the Swiss currency, causing significant problems for the Swiss export industry. Bank accounts may be maintained in local or foreign currencies either in or outside Switzerland without restriction. There is no distinction between resident and nonresident accounts.

Repatriation of capital, loans, dividends, interest, royalties, service fees and branch office profits can be transacted without limitation through any bank. Export proceeds may be disposed of freely. Leading and lagging of import and export payments is allowed; there are no limitations, nor is prior authorization required. Netting of trade-related payments and financial transactions is also allowed, without prior authorization.

#### - General Availability of Financing

All traditional means of financing are fully available to businesses in Switzerland, including access to the stock exchange and issuing publicly quoted bonds and stock. Small and medium size businesses usually approach their banks for finance, and are offered a tailored package drawn from a wide range of financing products. The venture capital market is still relatively new in Switzerland, but some banks offer venture capital, and there are an increasing number of venture capital companies. There are no restrictions on foreign investors' access to financing in Switzerland. Foreigners are free to invest in government securities and in debt instruments of Swiss-quoted companies.

#### - How to Finance Exports/Methods of Payment

Export financing is primarily conducted through commercial sources. Payment terms are arranged with the bank or financing institution.

- Types of Export Financing and Insurance Available to U.S. Exporters

The government makes no special provisions for export financing. Financing is freely available through commercial sources.

Insurance is also usually obtained through commercial sources. The Swiss government does administer the Federal Export Risk Guarantee (ERG) program to assume some risks in connection with foreign trade over which neither the exporter nor the foreign buyer has control, and for which no other insurance coverage is available. The guarantee is granted to companies resident in Switzerland for exports of Swiss goods (except weapons and ammunition), Swiss construction and engineering projects, and Swiss licensing agreements. Local content requirements are flexible. ERG coverage does not include nonpayment of private debtors, damages due to complaints about defective goods delivered or services rendered, or losses incurred due to revaluation of the Swiss franc. Risk coverage generally ranges from 50 to 95 percent, depending upon the size of the contract. In July 1996, the Federal Council extended the ERG program to selected private default risks, particularly those involving credit guaranteed by Eastern European banks.

- Availability of Project Financing

Generally speaking, there is no special financing available for projects in Switzerland. The federal government may grant long-term loans at preferential interest rates for a limited category of projects in designated regions threatened with economic decline (primarily remote, mountainous regions). Cantonal and communal governments offer a wider variety of incentives, including financing, for investment projects in their respective areas. Most cantons maintain economic development agencies, some even with offices or representatives abroad, for the purpose of dealing with projects and investments. For further information, contact the cantonal chambers of commerce listed in Appendix E.

- List of Banks with Correspondent U.S. Banking Arrangements

The Swiss banks listed in Appendix E have correspondent relationships with U.S. banks, as do most other large Swiss banks. More importantly, the following U.S. banks have offices or representatives in Switzerland and are quite interested in trade and project financing.

American Express Bank (Switzerland) SA  
50, rue du Rhône  
P.O. Box 3072  
CH-1211 Geneva 12, Switzerland

T. Graeme Haig  
General Manager  
Tel:(41-22) 319 08 08  
Fax:(41-22) 311 22 88

Bank of America NT & SA  
40, rue du Marché  
P.O. Box 3042  
CH-1211 Geneva 3, Switzerland  
<http://www.bankofamerica.com>

Linda M. Richards  
Country Manager  
Tel:(41-22) 318 69 38  
Fax:(41-22) 318 69 39

Bank Morgan Stanley AG  
Bahnhofstrasse 92  
P.O. Box 6740

Hermann Schwalm  
General Manager  
Tel:(41-1) 220 91 11

CH-8023 Zurich, Switzerland  
<http://www.ms.com>

Fax:(41-1) 211 98 00

Bankers Trust AG  
Stauffacherquai 42  
P.O. Box  
CH-8039 Zurich, Switzerland  
(Private banking, offices in Zurich and Geneva)

Roberto Martinez  
General Manager  
Tel:(41-1) 639 25 00  
Fax:(41-1) 639 29 00

The Chase Manhattan  
Private Bank (Switzerland)  
63, rue du Rhone  
P.O. Box 3215  
CH-1204 Geneva, Switzerland  
(Private banking, offices in Geneva and Zurich)

James H. Risch  
Country Manager  
Tel:(41-22) 787 91 11  
Fax:(41-22) 736 24 30

Citibank (Switzerland)  
Bahnhofstrasse 63  
P.O. Box 3760  
CH-8021 Zurich, Switzerland  
<http://www.citicorp.com>  
(Offices in Zurich, Geneva and Lugano)

David A. Tremblay  
General Manager  
Tel. (41-1) 205 71 71  
Fax. (41-1) 205 75 59

J.P. Morgan (Suisse) SA  
8, rue de Confédération  
P.O. Box 1864  
CH-1211 Geneva 11, Switzerland  
<http://www.jpmorgan.com>  
(Offices in Zurich and Geneva)

William L. Oullin  
Managing Director  
Tel. (41-22) 739 11 11  
Fax. (41-22) 732 26 55

Republic National Bank of New York  
(Suisse) SA  
2, place du Lac  
P.O. Box 3580  
CH-1211 Geneva 3, Switzerland  
(Offices in Geneva, Zurich and Lugano)

Sem Almaleh  
General Manager  
Tel. (41-22) 705 55 55  
Fax. (41-22) 311 99 60

Goldman, Sachs & Co. Bank  
Muensterhof 4  
CH-8022 Zurich, Switzerland  
(Investment bankers)

Emmanuel Gavaudan  
General Manager  
Tel. (41-1) 224 10 00  
Fax. (41-1) 224 10 50

Merrill Lynch International Inc.  
12, route de Florissant  
P.O. Box 254  
CH-1211 Geneva 12, Switzerland  
(Private banking, international asset management, securities trading, fiduciary deposits, offices in Geneva, Zurich and Lugano)

Mr. John Maitland  
General Manager  
Tel. (41-22) 703 12 12  
Fax. (41-22) 703 13 00

Salomon Smith Barney Inc.  
Salomon Brothers International

Mr. Reto Leibacher  
Manager



Schipfe 2  
CH-8022 Zurich, Switzerland  
(Equity and equity derivatives, stockbrokers, offices in Zurich and Geneva).

Tel. (41-1) 215 45 45  
Fax. (41-1) 215 45 90

## 9: BUSINESS TRAVEL

U.S. business travelers are encouraged to obtain a copy of the "Key Officers of Foreign Service Posts: Guide for Business Representatives" available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; tel: (202) 512-1800; fax: (202) 512-2250. This information is also available on the State Department website: [www.state.gov](http://www.state.gov). Business travelers to Switzerland seeking appointments with U.S. Embassy Bern officials should contact the Commercial section in advance. The Commercial section can be reached by telephone at (41 31) 357-7345, or fax at (41 31) 357-7336, or e-mail at [OfficeBern@mail.doc.gov](mailto:OfficeBern@mail.doc.gov).

### - Business Customs

As a prosperous, highly developed Western democracy with a modern market economy, Switzerland's business customs and practices are akin to those of other northern European countries. While some American business representatives may find their Swiss counterparts somewhat conservative in such things as dress and the formal use of family (rather than first) names, conducting business in Switzerland is quite similar to how business operates in the United States. Punctuality, particularly in German-speaking areas, is highly valued. Allowing ample lead time in setting up business appointments is also considered polite; one should not expect to "drop in" without an appointment on a business acquaintance.

### - Travel Advisory and Visas

A valid passport is required to enter Switzerland, but a Swiss visa is not required for business trips of up to ninety days. Swiss residency and work permits for longer stays and/or employment are extremely difficult to obtain, as the Swiss government imposes severe limitations on immigration and the country's foreign work force. All foreigners, including Americans, must have a work permit before commencing employment. The complicated process of obtaining a work visa can take several months. For more information contact the Consular Section of the Swiss Embassy in Washington, or the Swiss Consular Office in Atlanta, Chicago, Houston, Los Angeles, New York, or San Francisco.

Switzerland is a stable, prosperous democracy with a low rate of violent crime. However, pickpocketing and purse-snatching do occur, especially during peak tourist periods and where major conferences, shows, or exhibits are held. A typical scam used against businessmen is for a thief to grab an attache case in a hotel or airport while an accomplice distracts the victim. Loss or theft of a U.S. passport should be reported to the local police immediately and to the American Embassy in Bern at (031) 357-7234. Under most circumstances, a replacement can be issued in the course of a working day.

Countrywide emergency telephone numbers are: Police 117; Fire 118; and Ambulance 144. There is usually an English-speaking contact available.

- Holidays

Swiss national holidays in 2001 and 2002 are listed below. Unlike the U.S. practice, holidays in Switzerland falling on a weekend are not compensated for on the following Monday; most of the holiday dates vary yearly according to the Church calendar; and many Swiss cities have one or more local holidays in addition to the national holidays indicated below. The U.S. Embassy is closed on all U.S. and Swiss holidays.

2001

January 1	(Monday)	New Year's Day
January 2	(Tuesday)	Barzelistag
January 15	(Monday)	Martin Luther King's Birthday
February 19	(Monday)	President's Day
April 13	(Friday)	Good Friday
April 16	(Monday)	Easter Monday
May 24	(Thursday)	Ascension Day
May 28	(Monday)	Memorial Day
June 4	(Monday)	Whit Monday
July 4	(Wednesday)	Independence Day
August 1	(Wednesday)	Swiss National Day
September 3	(Monday)	Labor Day
October 8	(Monday)	Columbus Day
November 12	(Monday)	Veterans Day
November 22	(Thursday)	Thanksgiving Day
December 25	(Tuesday)	Christmas
December 26	(Wednesday)	Boxing Day

2002

January 1	(Tuesday)	New Year's Day
January 2	(Wednesday)	Barzelistag
January 21	(Monday)	Martin Luther King's Birthday
February 18	(Monday)	President's Day
March 29	(Friday)	Good Friday
April 1	(Monday)	Easter Monday
May 9	(Thursday)	Ascension Day
May 20	(Monday)	Whit Monday
May 27	(Monday)	Memorial Day
July 4	(Thursday)	Independence Day
August 1	(Thursday)	Swiss National Day
September 2	(Monday)	Labor Day
October 12	(Monday)	Columbus Day
November 11	(Monday)	Veterans Day
November 28	(Thursday)	Thanksgiving Day
December 25	(Wednesday)	Christmas
December 26	(Thursday)	Boxing Day

- Business Infrastructure

The Swiss business infrastructure is excellent. The country is served by major international airports in Zurich and Geneva, and smaller ones in Basel and Bern. Road and rail networks, despite the country's mountainous terrain, are well-maintained and efficient. Urban public transport is unsurpassed. Telecommunications are modern and, with the advent of deregulation, prices have dropped dramatically. The Swiss enjoy one of the highest standards of living in the world -- and an exceptionally high cost of living to match. Everything is available, albeit at prices higher than in the United States, from modern communications, a wide variety of food, good housing, well developed tourist facilities, to excellent health care. (Note: U.S. medical insurance is not always valid outside the United States. Travelers should check their companies for specific overseas coverage.)

Switzerland is a multilingual country. The majority of Swiss in the central and northeast portions of the country speak German. French is the principal language of Geneva and the western cantons, and Italian is spoken in the south, especially in the Ticino Canton (Lugano/Locarno). English is also widely spoken in business and tourist centers throughout the country.

- Temporary entry of goods

Personal effects, including laptop computers and the software that goes with them, do not need to be declared and can enter Switzerland freely. If a business representative were to bring a new computer system into Switzerland, he/ she would need to declare it and pay a deposit covering the VAT and applicable customs duty (which would be refundable on leaving the country with the item in question). For more extensive items accompanying a business visitor, the ATA Carnets in use for a wide range of countries may be used in Switzerland as well. Exhibit materials may come into the country freely with a Carnet but if they are to be sold at a trade fair then the applicable duties and VAT would have to be paid. The trade fairs in Switzerland all have customs offices that can facilitate the payment of fees and clearing of items in an expeditious fashion.

## 10: ECONOMIC AND TRADE STATISTICS

The economic information which follows in Appendices A-D is derived from official Swiss sources, converted to U.S. dollars at the annual average exchange rate for the given year.

### A. COUNTRY DATA\*

Population: 7,209,924

Pop. Growth Rate: 0.7%

Religions: Roman Catholic (46%); Protestant (40%); Other Religions (7%); no religious faith (7%)

Government: Switzerland has been a Federal State, now consisting of 26 Cantons, since 1848. It is headed by a seven-member Federal Council; the Parliament consists of

the Council of States (46 members) and the National Council (200 members).

Current President (position rotates annually): Moritz Leuenberger; Federal Parliamentary elections every 4 years.

Languages: German (64%); French (19%); Italian (8%); Romansh (1%); Other (8%).

\* 2000 figures

B. DOMESTIC ECONOMY (\$, except as noted)

Source	1999	2000	2001*
GDP (billions) BFS, JB	259.3	241.1	257.1
Real GDP Growth			
Rate (%) BFS, JB	+1.5	+3.4	+2.2
GDP per Capita BFS, JB	36,319	33,437	35,399
Govt. Spending			
(% of GDP) JB	15.0%	14.6%	14.4%
Inflation (%) JB	0.8	1.6	1.0
Unemployment (%) BFS, JB	2.7	2.0	1.6
Foreign Exchange			
Reserves (billions) SNB	60.714	54.259	51.697**
Average Exchange			
Rate (\$1=SF) SNB, JB	1.50	1.69	1.64***
Debt Service Ratio	-0-	-0-	-0-
US Economic Assistance	-0-	-0-	-0-
US Military Assistance	-0-	-0-	-0-

(note: GDP appears to be falling only due to progressive weakening of the SF versus the

Dollar)

\* 2001 figures are estimates

\*\* As of May 31, 2001

\*\*\* Projected average rate

C. TRADE (Billions of \$, except as noted)

2001	Source	1999	2000
Total Country Exports N/A	EZV	74.25	74.88
Total Country Imports N/A	EZV	75.10	76.10
Exports to the US N/A	EZV	7.74	8.72*
Imports from the US N/A	EZV	4.74	5.16*
US % of Swiss Exports N/A	EZV	10.4%	11.6%
US % of Swiss Imports N/A	EZV	6.3%	6.8%

\* U.S. Census report the following figures:

Imports from Switz. to the US (2000) 10.16

Exports from US to Switz. (2000) 9.95

Differences due, partially, to EZV's recording of net shipment (exclusive of FOB and CIF) and U.S. Census figures include transfers of gold/jewels/antiques as well as precious metals.

D. INVESTMENT (Billions of \$) - only Book Values available

2001	Sources	1999	2000
------	---------	------	------

Total Foreign Direct				
Investment in Switzerland		83.06		N/A
N/A	SNB			
North America Direct				
Investment in Switzerland				26.60
N/A	N/A	SNB		
U.S. Share of Total				
Foreign Investments		32.0%		N/A
N/A	SNB			

#### SOURCES

AMCHAM	Swiss-American Chamber of Commerce
BFS	Federal Statistics Office
BWA	Federal Dept. of Economics and Labor
EZV	Federal Customs Administration (www.zoll.admin.ch)
JB	Bank Julius Baer
OECD	Organization for Economic Cooperation and Development
SCB	Survey of Current Business
SNB	Swiss National Bank Quarterly/Monthly Reports
UBS	United Bank of Switzerland

#### 11: US AND COUNTRY CONTACTS

##### - U.S. Embassy Trade Related Contacts

##### U.S. Embassy Bern

Ambassador:	Vacant
Deputy Chief of Mission:	Vacant
Commercial Counselor:	Michael Keaveny
Commercial Specialist:	Werner Wiedmer
Commercial Specialist:	Ernst Hegg
Commercial Assistant:	Marianne von Känel
Economic/Political Counselor:	Dennis Ortblad
Pol/Econ Officer:	Richard O'Brien
Pol/Econ Specialist:	Christian Kreis
Pol/Econ Specialist:	Remy Delalande

Street/International Mail:  
Jubilaeumsstrasse 93-97  
P.O. Box

U.S. Pouch Address:  
American Embassy Bern  
U.S. Department of State

CH-3001 Bern  
Switzerland  
Tel: (41-31) 357-7011  
Fax: (41-31) 357-7336  
website: [www.uscom.ch](http://www.uscom.ch)

5110 Bern Place  
Washington, DC 20521-5110

Zurich America Center  
Commercial Specialist:  
Commercial Assistant:  
Commercial Assistant:

Sandor Galambos  
Elisabeth Mbitha-Schmid  
Philippe Mettler

International Mail:  
Dufourstrasse 101  
CH-8008 Zurich, Switzerland  
Tel: (41-1) 422-2372  
Fax: (41-1) 382-2655

America Center Geneva  
Commercial Assistant:

Georges Laurent

International Mail:  
ACG America Center Geneva  
Rue Versonnex 7  
CH-1207 Geneva, Switzerland  
Tel: (41-22) 840 51 53  
Fax: (41-22) 840 51 67

U.S. Pouch Address:  
ACG  
c/o U.S. Mission Geneva  
Department of State  
Washington, D.C. 20521-5110

- AmCham and Swiss Chambers of Commerce

There is no central chamber of commerce for all of Switzerland, rather each canton has its own chamber. There are also chamber associations covering business between Switzerland and most major trading partners. Following is the address of the Swiss-American Chamber of Commerce, as well as a selection of cantonal chambers.

Swiss-American Chamber of Commerce  
Talacker 41  
CH-8001 Zurich, Switzerland  
<http://www.amcham.ch>

Contact: W. Diggelmann  
Tel: (41-1) 211 24 54  
Fax: (41-1) 211 95 72  
Email: [info@amcham.ch](mailto:info@amcham.ch)

Aargau  
Aargauische Industrie-  
und Handelskammer  
Entfelderstrasse 11  
CH-5001 Aarau, Switzerland

Director: Dr. H. Suter  
Tel: (41-62) 837 18 18  
Fax: (41-62) 837 18 19

Basel  
Handelskammer beider Basel  
St. Alban-Graben, P.O. Box  
CH-4001 Basel, Switzerland

Director: Dr. A. Burkhardt  
Tel: (41-61) 272 18 88  
Fax: (41-61) 272 62 28

Bern  
Berner Handelskammer  
Gutenbergstrasse 1  
CH-3001 Bern, Switzerland

Director: Dr. R. Portmann  
Tel: (41-31) 388 87 87  
Fax: (41-31) 388 70 70

Fribourg  
Chambre Fribourgeoise du  
Commerce et de l'Industrie  
37, rte. du Jura,  
CH-1706 Fribourg, Switzerland  
<http://www.cci.ch/fribourg>

Director: Mr. A. Uebersax  
Tel: (41-26) 347 12 20  
Fax: (41-26) 347 12 39

Geneva  
Chambre de Commerce et de  
l'Industrie de Geneve  
Bd du Theatre 4, C.P. 5039  
CH-1211 Geneve 11, Switzerland

Director: P. Coidan  
Tel: (41-22) 819 91 11  
Fax: (41-22) 819 91 00

Glarus  
Glärner Handelskammer  
Spielhof 14a  
CH-8750 Glarus, Switzerland

Secretary: Dr. K. Landolt  
Tel: (41-55) 640 11 73  
Fax: (41-55) 640 36 39

Graubünden  
Bundner Handels- und Industrieverein  
Poststrasse 43  
CH-7002 Chur, Switzerland

Secr: Dr. M. Ettisberger  
Tel: (41-81) 252 63 06  
Fax: (41-81) 252 04 49

Jura  
Chambre de Commerce et  
d'Industrie du Jura  
Rue de l'Avenir 23, C.P. 274  
CH-2800 Delemont 1, Switzerland

Director: Mr. J.-F. Gerber  
Tel: (41-32) 421 45 45  
Fax: (41-32) 421 45 40

Luzern  
Zentralschweiz. Handelskammer  
Kapellplatz 2  
CH-6002 Luzern, Switzerland  
E-mail: [info@hkz.ch](mailto:info@hkz.ch)

Secr: Mr. D. Schlatter  
Tel: (41-41) 410 68 65  
Fax: (41-41) 410 52 88

Neuchâtel  
Chambre Neuchâteloise du  
Commerce et de l'Industrie  
Rue de la Serre 4, C.P.  
CH-2001 Neuchâtel, Switzerland  
E-mail: [cnci@cci.ch](mailto:cnci@cci.ch)

Director: Mr. C. Bernoulli  
Tel: (41-32) 722 15 15  
Fax: (41-32) 722 15 20

Solothurn  
Solothurner Handelskammer  
Grabackerstrasse 6  
CH-4502 Solothurn, Switzerland

Director: Dr. H.-R. Meyer  
Tel: (41-32) 626 24 24  
Fax: (41-32) 626 24 26



E-mail: [info@sohk.ch](mailto:info@sohk.ch)

St. Gallen  
Industrie- und Handelskammer  
St. Gallen - Appenzell  
Gallusstrasse 16, P.O. Box  
CH-9001 St. Gallen, Switzerland  
[www.ihk.ch](http://www.ihk.ch)

Director: Dr. H. Schmid  
Tel: (41-71) 223 15 15  
Fax: (41-71) 222 47 27

Thurgau  
Thurgauer Industrie- und  
Handelskammer  
Schmidstrasse 9, P.O. Box 317  
CH-8570 Weinfelden, Switzerland  
E-mail: [info@ihk-thurgau.ch](mailto:info@ihk-thurgau.ch)

Director: Mr. M. Fehle  
Tel: (41-71) 622 19 19  
Fax: (41-71) 622 62 57

Ticino  
Camera di Commercio del  
Cantone Ticino  
Corso Elvezia 16  
CH-6901 Lugano, Switzerland

Director: Mr. C. Camponovo  
Tel: (41-91) 911 51 11  
Fax: (41-91) 911 51 12

Valais/Wallis  
Chambre Valaisanne de Commerce  
et de l'Industrie  
Rue Pre-Fleuri 6, C.P. 288  
CH-1951 Sion, Switzerland  
E-mail: [cvsci@cci.ch](mailto:cvsci@cci.ch)

Director: Mr. T. Gsponer  
Tel: (41-27) 327 35 35  
Fax: (41-27) 327 35 36

Vaud  
Chambre Vaudoise du Commerce  
et de l'Industrie  
Avenue d'Ouchy 47, P.O. Box 205  
CH-1000 Lausanne 13, Switzerland  
<http://www.cvci.ch>

Director: J.-L. Strohm  
Tel: (41-21) 613 35 35  
Fax: (41-21) 613 35 05

Winterthur  
Handelskammer & Arbeitgebervereinigung  
Winterthur (HAW)  
Neumarkt 15, P.O. Box 905  
CH-8401 Winterthur, Switzerland

Secretary: Mr. C. Modl  
Tel: (41-52) 213 07 63  
Fax: (41-52) 213 07 29

Zurich  
Zurcher Handelskammer  
Bleicherweg 5, P.O. Box 4031  
CH-8022 Zurich, Switzerland  
<http://www.zurichcci.ch>

Director: Mr. C. Boesch  
Tel: (41-1) 221 07 42  
Fax: (41-1) 211 76 15

- Swiss Trade or Industry Associations

The following lists trade associations most relevant to U.S. companies pursuing business in Switzerland. For a complete listing of associations, please consult the Publicus 2001 "Schweizer Jahrbuch des oeffentlichen Lebens", published by Schwabe & Co. AG Verlag, Farnsburgerstr. 8, CH-4132 Muttenz, Switzerland; Tel: (41-61) 467-8575; Fax: (41-61) 467-8576.

SHIV Schweizerischer Handels- und  
Industrieverein (Vorort)  
(Swiss Union of Commerce and Industry Assn)  
Hegibachstrasse 47, P.O. Box 1072  
CH-8032 Zurich, Switzerland  
Email: vorort@vorort.ch

Pres: Dr. A. F. Leuenberger  
Dir: Dr. R. Ramsauer  
Tel: (41-1) 389 93 00  
Fax: (41-1) 389 93 89

Schweizerische Zentrale  
fuer Handelsfoerderung (OSEC)  
(Swiss Office for Trade Promotion)  
Stampfenbachstrasse 85, P.O. Box 492  
CH-8035 Zurich, Switzerland

U.S. Desk: Ms. Kuenzli  
Tel: (41-1) 365 51 51  
Fax: (41-1) 365 52 21

Vereinigung des Schweizerischen  
Import- und Grosshandels (VSIG)  
(Swiss Fed.of Importers & Wholesalers)  
Güterstrasse 78, P.O. Box 656  
CH-4010 Basel, Switzerland  
<http://www.vsig.ch>

Director: Dr. Zeller  
Tel: (41-61) 228 90 30  
Fax: (41-61) 228 90 39

Schweizerischer Verband der  
Internationalen Handelsfirmen  
(Swiss Assn. of Intl. Trading Houses)  
Aeschenvorstadt 4  
CH-4010 Basel, Switzerland

Secretary: Dr. M. Pfeifer  
Tel: (41-61) 279 33 91  
Fax: (41-61) 279 33 10

H+ Hospitals of Switzerland  
Rain 32  
CH-5001 Aarau, Switzerland

Dir: Dr. C. Haudenschild  
Tel: (41-62) 824 12 22  
Fax: (41-62) 822 33 35

Verband des Schweiz. Versandhandels (VSV)  
(Mail Order Association)  
Brandenbergstrasse 30  
CH-8304 Wallisellen, Switzerland  
<http://www.vsv-versandhandel.ch>

President: H.M. Meier  
Tel: (41-1) 830 16 02  
Fax: (41-1) 830 16 08

Swissmem  
Verein Schweizerischer  
Maschinenindustrieller (VSM)  
(Machinery Manufacturers Association)  
Kirchenweg 4, P.O. Box  
CH-8032 Zurich, Switzerland  
<http://swissmem.ch>

Director: Mr. T. Daum  
Tel: (41-1) 384 44 11  
Fax: (41-1) 384 42 42

Vereinigung fuer Schweiz. Luft-

Pres: Mr. H. Kobelt

fahrtindustrie  
(Swiss Aeronautical Industries Group)  
Kirchenweg 4  
CH-8032 Zurich, Switzerland

Tel: (41-1) 384 41 11  
Fax: (41-1) 384 42 42

Verband des Schweiz. Maschinen-  
und Werkzeughandels  
(Machine & Tool Trade Association)  
Buchhaldenstrasse 10  
CH-8610 Uster, Switzerland

Pres: Mr. U. Luther  
Tel: (41-1) 940 93 36  
Fax: (41-1) 940 93 44

Verein Schweiz. Metallwarenfabrikanten  
(Metal Product Mfr's Association)  
Gartenstrasse 3, P.O. Box 4754  
CH-6304 Zug, Switzerland

Secretary: P. Schnadt  
Tel: (41-41) 711 61 34  
Fax: (41-41) 711 88 43

Schweiz. Elektrotechnischer Verein  
Luppenstrasse 1  
CH-8320 Fehraltorf, Switzerland

Director: Dr. E. Jurczek  
Tel: (41-1) 956 11 11  
Fax: (41-1) 956 11 22

Schweizerische Normen-Vereinigung (SNV)  
(Standards Association)  
Muehlebachstrasse 54  
CH-8008 Zurich, Switzerland

Director: Dr. H.P. Homberger  
Tel: (41-1) 254 54 54  
Fax: (41-1) 254 54 74

Schweiz. Technischer Verband (STV)  
(Technical Association)  
Weinbergstrasse 41, POB  
CH-8006 Zurich, Switzerland  
<http://www.swissengineering.ch>

Secretary: S. Schwitter  
Tel: (41-1) 268 37 11  
Fax: (41-1) 268 37 00

Schweizer Automatik Pool (SAP)  
(Electronics, Automation Equipment &  
Computer Manuf. & Distr. Association)  
c/o ATAG Ernst & Young AG  
P.O. Box 5272  
CH-8022 Zurich, Switzerland  
<http://www.sap-verband.ch>

Contact: Mr. R. Schmid  
Tel: (41-1) 286 31 11  
Fax: (41-1) 202 92 83

ProTelecom  
(Telecommunication Association)  
Laupenstrasse 18a, P.O. Box  
CH-3001 Bern, Switzerland  
E-mail: [office@protelecom.ch](mailto:office@protelecom.ch)

Director: Mr. J. Wilhelm  
Tel: (41-31) 390 40 40  
Fax: (41-31) 390 40 41

ASUT  
(Swiss Telecommunications Users Assoc.)  
Kramgasse 5, P.O. Box 515  
CH-3000 Bern 8, Switzerland  
[www.asut.ch](http://www.asut.ch)

Contact: Dr. C. Bolla-Vincenz  
Tel: (41-31) 328 27 27  
Fax: (41-31) 328 27 37

SWICO  
(Information, Communication, Software  
& Business Organization Association)  
Technopark 1  
CH-8005 Zurich, Switzerland

Director: Mr. B. Baumann  
Tel: (41-1) 445 38 00  
Fax: (41-1) 445 38 01

Verband Schweiz. Firmen fuer  
Arzt- und Spitalbedarf (FAS)  
(Medical & Hospital Supply Assoc.)  
Monbijoustrasse 22, P.O. Box  
CH-3001 Bern, Switzerland  
E-mail: [fasmed@medical-devices.ch](mailto:fasmed@medical-devices.ch)

Secretary: Mr. J. H. Schnetzer  
Tel: (41-31) 380 85 87  
Fax: (41-31) 380 85 96

Schweiz. Ingenieur & Architekten Verein (SIA)  
(Society of Engineers and Architects)  
Selnastrasse 16, P.O.Box  
CH-8039 Zurich, Switzerland  
<http://www.sia.ch>

GenSecr: Mr. E. Mosimann  
Tel: (41-1) 283 15 15  
Fax: (41-1) 201 63 35

Swiss Textiles Federation  
P.O. Box 4838, Beethovenstr. 20  
CH-8022 Zurich, Switzerland  
E-mail: [contact@tvs.ch](mailto:contact@tvs.ch)

Director: Mr. T. Isler  
Tel: (41-1) 289 79 79  
Fax: (41-1) 289 79 80

Schweiz. Gesellschaft fuer Chemische  
Industrie (SGCI) (Chemical Ind. Assoc.)  
P.O. Box, Nordstrasse 15  
CH-8035 Zurich, Switzerland  
<http://www.sgci.ch>

Director: Dr. B. Moser  
Tel: (41-1) 368 17 11  
Fax: (41-1) 368 17 70

Schweizerische Bankiervereinigung  
(Swiss Banking Association)  
P.O. Box 4182, Aeschenplatz 7  
CH-4002 Basel, Switzerland  
E-mail: [office@sba.ch](mailto:office@sba.ch)

Contact: Prof. N. Blattner  
Tel: (41-61) 295 93 93  
Fax: (41-61) 272 53 82

Schweizer Hotelierverein  
Swiss Hotel Association  
Monbijoustrasse 130, P.O. Box  
CH-3001 Bern, Switzerland  
<http://www.swisshotels.ch>

Contact: Dr. C. Juen  
Tel: (41-31) 370 41 11  
Fax: (41-31) 370 44 44

Verband Elektronischer Zahlungsverkehr  
(Electronic Payment Systems Assoc.)  
Froburgstrasse 98  
CH-8006 Zurich, Switzerland  
E-mail: [vez@ku-law.ch](mailto:vez@ku-law.ch)

President: P.-A. Steim  
Tel: (41-1) 363 14 00  
Fax: (41-1) 363 15 25

Schweizer Börse SWX  
(Swiss Exchange SWX)  
Selnastrasse 30

President: Dr. J. Fischer  
Tel: (41-1) 229 21 11  
Fax: (41-1) 229 22 33

8021 Zurich  
E-mail: swx@swx.com

- Swiss Government Agencies

The following list of Swiss government agencies may be of relevance to U.S. companies doing business in and with Switzerland. The "Eidgenoessischer Staatskalender", published by Eidg. Drucksachen- und Materialzentrale (Federal Printing Office), CH-3000 Bern, Switzerland, provides a comprehensive listing of Swiss government departments and officials.

Eidgenoessische Departement des Innern:  
(Federal Department of Home Affairs)  
Bundesamt fuer Statistik  
(Federal Office for Statistics)  
Espace de l'Europe 10  
CH-2010 Neuchatel, Switzerland

Director: C. Malaguerra  
Tel: (41-32) 713 60 11  
Fax: (41-32) 713 60 02

Bundesamt fuer Gesundheitswesen (BAG)  
(Federal Office for Public Health)  
Schwarzenburgstrasse 165  
CH-3097 Liebefeld, Switzerland

Director: Prof. T. Zeltner  
Tel: (41-31) 322 21 11  
Fax: (41-31) 322 95 07

Eidgenoessische Justiz- und Polizeidepartement:  
(Federal Department of Justice and Police)  
Eidg. Amt fuer Messwesen  
(Fed. Office for Weights and Measures)  
Lindenweg 50  
CH-3003 Bern-Wabern, Switzerland

Director: Dr. W. Schwitz  
Tel: (41-31) 323 31 11  
Fax: (41-31) 323 32 10

Eidg. Institut fur Geistiges Eigentum  
(Fed. Inst. for Intellectual Property)  
Einsteinstrasse 2  
CH-3003 Bern, Switzerland  
<http://www.ige.ch>

Dir: Dr. R. Grossenbacher  
Tel: (41-31) 325 25 25  
Fax: (41-31) 325 25 26

Eidg. Departement fuer Verteidigung, Bevölkerungsschutz und Sport:  
(Fed. Dept. of Defence, Protection of the Population and Sport)  
Gruppe fuer Ruestungsdienste (Armaments Group)  
Kasernenstrasse 19  
CH-3003 Bern, Switzerland

Director: Mr. T. Wicki  
Tel: (41-31) 324 57 01  
Fax: (41-31) 324 57 63

Eidgenoessische Finanzdepartement:  
(Federal Department of Finance)  
Eidg. Zollverwaltung  
(Federal Customs Office)  
Monbijoustrasse 40  
CH-3003 Bern, Switzerland

Director: Dr. R. Dietrich  
Tel: (41-31) 322 65 11  
Fax: (41-31) 322 78 72

Eidgenoessische Volkswirtschaftsdepartement:

(Federal Department of Economic Affairs)  
Staatssekretariat für Wirtschaft (SECO)  
(State Secretariat for Economic Aff.)  
Bundeshaus Ost  
CH-3003 Bern, Switzerland

Secretary: Dr. D. Syz  
Tel: (41-31) 322 56 56  
Fax: (41-31) 322 56 00

Bundesamt fuer Wirtschaft und Arbeit  
(Fed. Office for Econ. Dev. & Labor)  
Bundesgasse 8  
CH-3003 Bern, Switzerland

Director: J.-L. Nordmann  
Tel: (41-31) 322 29 09  
Fax: (41-31) 322 27 49

Bundesamt fuer Berufsbildung & Technology  
(Fed.Off. for Prof. Training & Technology)  
Effingerstrasse 27  
CH-3003 Bern, Switzerland

Director: Prof. H. Sieber  
Tel: (41-31) 322 21 29  
Fax: (41-31) 324 96 15

Eidg. Dept. fuer Umwelt, Verkehr, Energie und Kommunikation:  
(Fed. Dept. of Environment, Transport, Energy and Communications)  
Bundesamt fuer Zivilluftfahrt  
(Federal Office for Civil Aviation)  
Maulbeerstrasse 9  
CH-3003 Bern, Switzerland

Director: Andre Auer  
Tel: (41-31) 325 80 39  
Fax: (41-31) 325 80 32

Bundesamt fuer Umwelt, Wald & Landschaft  
(Fed. Office for the Environment,  
Forestry and the Landscape)  
Papiermuehlestrasse 172  
CH-3063 Ittigen, Switzerland

Director: Dr. P. Roch  
Tel: (41-31) 322 93 11  
Fax: (41-31) 322 79 58

Bundesamt fuer Kommunikation  
Federal Office for Communications  
Zukunftstrasse 44  
CH-2501 Biel, Switzerland

Director: Mr. M. Furrer  
Tel: (41-32) 327 55 11  
Fax: (41-32) 327 55 55

Quasi Public Organization:  
Swiss Post  
Viktoriastrasse 21  
CH-3030 Bern, Switzerland

Director: Mr. U. Gygi  
Tel: (41-31) 338 28 16  
Fax: (41-31) 338 56 00

Mixed Private/Public Sector:  
Swisscom AG  
Alte Tiefenaustrasse 6  
CH-3050 Bern, Switzerland  
<http://www.swisscom.com>

Director: Mr. Jens Alder  
Tel: (41-31) 342 11 11  
Fax: (41-31) 342 25 49

#### - Swiss Market Research Firms

Following are some of the major Swiss companies performing market research. Terms and fees must be solicited by the U.S. company. The U.S. Embassy cannot recommend one firm over another.

Consultex SA  
157 Rte du Gd-Lancy  
CH-1213 Onex-Geneva, Switzerland  
<http://www.consultex.ch>

Director: A. Sundberg  
Tel: (41-22) 792 16 59  
Fax: (41-22) 793 39 15

A.C. Nielsen S.A.  
Nielsenstrasse 8, Postfach  
CH-6033 Buchrain, Switzerland  
<http://www.acnielsen.ch>

Director: Mr. Ittensohn  
Tel: (41-41) 445 64 64  
Fax: (41-41) 440 17 07

Battelle-Europe  
Geneva Research Centers  
7 route de Drize  
CH-1227 Carouge-Geneva, Switzerland

Director: Raffael Nicolini  
Tel: (41-22) 827 27 27  
Fax: (41-22) 827 20 22

IHA - GFM  
Institut fuer Marktanalysen AG  
Obermattweg 9  
CH-6052 Hergiswil, Switzerland  
<http://www.ihagfm.ch>

Contact: Herbert Gnos  
Tel: (41-41) 632 91 11  
Fax: (41-41) 632 91 23

Real Marketing AG  
Dufourstrasse 107, P.O. Box 1226  
CH-8034 Zurich, Switzerland

Director: A. Bassi  
Tel: (41-1) 383 08 83  
Fax: (41-1) 383 08 84

Admerca AG  
Telecom Consultants  
Arosastrasse 25  
CH-8008 Zurich, Switzerland

Director: P. Betschart  
Tel: (41-1) 422 41 77  
Fax: (41-1) 422 97 77

Trimedia Communications AG  
Zollikerstrasse 141, P.O. Box  
CH-8034 Zurich, Switzerland

Dir: Mr. T. C. Maurer  
Tel: (41-1) 388 91 11  
Fax: (41-1) 388 91 12

#### - Swiss Commercial Banks

Following are the head offices of the two largest commercial banks in Switzerland. Each has numerous branches throughout the country. For additional information on these and other banks, please consult the Swiss Financial Yearbook, published by Elvetica Edizioni SA, P.O. Box 134, Via Vela 6a CH-6834 Morbio-Inferiore, Switzerland; Tel: (41-91) 683 50 56; Fax: (41-91) 683 76 05.

UBS AG  
Bahnhofstrasse 45, P.O. Box  
CH-8021 Zurich, Switzerland  
<http://www.usb.com>

Pres: Mr. M. Ospel  
Tel: (41-1) 234 11 11  
Fax: (41-1) 236 51 11

Credit Suisse  
Paradeplatz 8  
P.O. Box 100  
CH-8070 Zurich, Switzerland

CEO: Mr. L. Mühlemann  
Tel: (41-1) 333 11 11  
Fax: (41-1) 332 55 55

<http://www.csg.ch>

- U.S.-Based Multipliers Relevant for Switzerland

The Swiss-American Chamber of Commerce, in addition to its head office in Zurich (see Chamber heading above), maintains offices in four U.S. locations:

New York Chapter  
Credit Suisse First Boston Corp.  
Eleven Madison Ave.  
New York, NY 10010-3629

Chairman: R. C. O'Brien  
Tel: (212) 325-9166  
Fax: (212) 325-8326

Southeast U.S.A. Chapter  
Cannon  
C/o Swissotel  
3391 Peachtree Road N.E.  
Atlanta, GA 30326

Chairwoman: Janis H.  
Tel: (404) 760-1692  
Fax: (404) 760-1802

Southeast U.S.A. Chapter  
Carolina Division  
2208 Houston Branch Road  
Charlotte, NC 28270

Chairman: Heinz Roth  
Tel: (704) 292-1237  
Fax: (704) 292-1137

Southeast U.S.A. Chapter  
Florida Division  
1201 South Orlando Ave., P.O. Box 8181  
Winter Park, FL 32790-8181

Chairman: L. S. Burkhardt  
Tel: (407) 645-3500  
Fax: (407) 645-3529

California - San Francisco Chapter  
P.O. Box 26007  
San Francisco, CA 94126-6007

Chairman: P. Kaempfen  
Tel: (415) 433-6679  
Fax: (415) 433-6601

California - Los Angeles Chapter  
c/o Julius Baer Rep. Office  
1900 Avenue of the Stars, Ste. 2701  
Los Angeles, CA 90067

Chairman: R. Wacker  
Tel: (626) 974-5429  
Fax: (626) 974-5439

The Swiss government maintains official representation in the U.S. through its Embassy in Washington and Consulates General in six locations:

Embassy of Switzerland  
2900 Cathedral Avenue, N.W.  
Washington, D.C. 20008-3499  
<http://www.swissemb.org>

Amb: Vacant  
Tel: (202) 745-7900  
Fax: (202) 387-2564

Swiss Consulate General  
1275 Peachtree Street, N.E., Ste. 425  
Atlanta, GA 30309-3555  
E-mail: [vertretung@atl.rep.admin.ch](mailto:vertretung@atl.rep.admin.ch)

Consul: Alexander Kubli  
Tel: (404) 870-2000  
Fax: (404) 870-2011

Swiss Consulate General

Consul: Eduard Jaun



737 N. Michigan Ave, Ste. 2301  
Chicago, IL 60611-0561  
E-mail: [vertretung@chi.rep.admin.ch](mailto:vertretung@chi.rep.admin.ch)

Tel: (312) 915-0061  
Fax: (312) 915-0388

Swiss Consulate General  
Wells Fargo Bank Plaza  
1000 Louisiana, Suite 5670  
Houston, TX 77002-5006  
E-mail: [vertretung@hou.rep.admin.ch](mailto:vertretung@hou.rep.admin.ch)

Consul: W. Simmen  
Tel: (713) 650-0000  
Fax: (713) 650-1321

Swiss Consulate General  
11766 Wilshire Boulevard, Suite 1400  
Los Angeles, CA 90025  
E-mail: [vertretung@los.rep.admin.ch](mailto:vertretung@los.rep.admin.ch)

Consul: H.-P. Egger  
Tel: (310) 575-1145  
Fax: (310) 575-1982

Swiss Consulate General  
633 Third Ave., 30th Floor  
New York, NY 10017-6706  
E-mail: [vertretung@nyc.rep.admin.ch](mailto:vertretung@nyc.rep.admin.ch)

Amb: Jacques Reverdin  
Tel: (212) 599-5700  
Fax: (212) 599-4266

Swiss Consulate General  
456 Montgomery Street, Suite 1500  
San Francisco, CA 94104-1233  
E-mail: [vertretung@sfr.rep.admin.ch](mailto:vertretung@sfr.rep.admin.ch)

Consul: R. Quillet  
Tel: (415) 788-2272  
Fax: (415) 788-1402

- Other Multipliers Relevant for Switzerland

Some 30 U.S. states maintain their own offices in Europe for economic development and trade promotion. Most are members of the Council of American States in Europe (CASE). While these offices often focus on attracting European, including Swiss, investment to their respective states, they also provide trade assistance. Many sponsor group participation at major trade events or organize trade and investment missions, led by prominent state officials. A list of CASE offices is available from the Chairman: Paul Zito, Director, State of Ohio, European Office, Rue de la Pépinière 1, 4th Floor, 1000 Brussels, Belgium Tel. (32-2) 512 86 87, Fax. (32-2) 512 66 14.

- TPCC Trade Information Center in Washington: 1-800-USA-TRADE

U.S. Department of State  
Bureau of Economic and Business Affairs  
Tel: (202) 647-7971  
Fax: (202) 647-5713

U.S. Department of Commerce  
Country Desk Officer  
(for market access and regulatory problems only)  
Tel: (202) 482-2434  
Fax: (202) 482-2897

U.S. Department of Agriculture (USDA)  
Foreign Agricultural Service (FAS)

South Agricultural Bldg., Room 5071  
Washington, D.C. 20250  
Tel: (202) 720-3935  
Fax: (202) 790-2159  
<http://www.fas.usda.gov>

Overseas Private Investment Corporation  
1100 New York Ave. N.W., 12th floor  
Washington, DC 20527  
Tel: (202) 336-8799  
Fax: (202) 408-9859  
<http://www.opic.gov>

## 12: MARKET RESEARCH

- U.S. Department of Commerce Industry Subsector Analysis (ISA) Reports

ISAs are market research reports prepared by Commercial Service specialists abroad. Averaging 15-20 pages, they cover developments in the country's market subsectors of potential interest to U.S. business. The Commercial Service in Bern prepares about 12-14 ISAs annually. These can be accessed through the National Trade Data Bank (NTDB), or upon request to Commercial Service Bern. Commercial Service Switzerland's Industry Subsector Analysis (ISA) reports for FY1999 were:

Air Traffic Control Equipment/Services (December, 1998)  
Swiss Footwear Market - Overview (December, 1998)  
Defense Market (April, 1999)  
Dental Products (April, 1999)  
Golf Equipment (April, 1999)  
Financial Services - The Banking Scene in Switzerland  
(June, 1999)  
Tourism and Travel (June, 1999)  
Do-It-Yourself Overview - Switzerland (August, 1999)  
Hazardous Waste Management and Disposal: Equipment,  
Technologies & Services (August, 1999)  
The Liberalized Telecommunications market (August, 1999)  
Toys and Games (August, 1999)  
Vehicles: Passenger Cars/Vans, Busses, Light/Heavy  
Vehicles (August, 1999)  
Franchising and Optical Glasses (September, 1999)  
Renewable Energy Equipment (September, 1999)

During FY2000 the following ISAs were prepared:

Internet Services (February, 2000)  
Regional/Business Aircraft and parts - Switzerland/Overview  
(March, 2000)  
The Liberalized Telecommunications market (April, 2000)  
Hazardous Waste Management and Disposal: Equipment, Technologies

& Services (April, 2000)  
 Home Healthcare and Rehabilitation Aids (April, 2000)  
 Trucks and Parts - Overview (May, 2000)  
 Travel and Tourism (June, 2000)  
 Bicycles (June, 2000)  
 Franchising in Services in Switzerland: an Overview (June, 2000)  
 Insurance (July, 2000)  
 Wireless Communications (July, 2000)  
 Electric Energy Trading (September, 2000)

During FY2001 the following ISAs were prepared:

Defense Market (March, 2001)  
 Incentive Travel Market (April, 2001)  
 Franchising (May, 2001)  
 Automotive Parts & Services (June, 2001)  
 Advertisement in Switzerland (July, 2001)  
 Water Treatment Equipment & Services (June, 2001)  
 Wireless Commerce (August 2001)  
 Doing Business in the Liberalized Telecom Market (September 2001)  
 Energy Efficiency (September 2001)

- U.S. Department of Commerce International Market Insight (IMI) Reports

IMIs are shorter, more time-sensitive reports on a wide range of topics of commercial interest in a particular market. The Commercial Service in Switzerland produces more than a hundred IMIs per year. They are available electronically through the NTDB, or upon request to Commercial Service Bern. For a listing of IMIs over the last year, consult our website at: [www.uscom.ch](http://www.uscom.ch)

### 13: TRADE EVENT SCHEDULE

The following major trade events, taking place in Switzerland in 2001/2002, may be of interest to U.S. companies seeking business opportunities in Switzerland. Events preceded by an asterisk (\*) are organized by the Commercial Service in Switzerland or are supported by CS Switzerland through the placement of a Business Information Office staffed by CS personnel, a catalog display of U.S. company brochures, and/or full (own) booth participation in a U.S. pavilion and the development of personalized trade leads. For further information, please contact the Commercial Service in Bern: [www.uscom.ch](http://www.uscom.ch)

Date	Location	Event
Sep. 24, 2001	Zurich	*MBA Fair 2001
Sep. 25-29, 2001	Basel	*Orbit/Comdex Europe '2001 (office equipment, data processing, and communications)

Oct. 23-25, 2001 Workshop	Montreux	*TTW 2001 (Travel Trade Tourism)
Jan. 13-16, 2002	Zurich	ORNARIS (gift/consumer show)
Jan. 29-30, 2002	Zurich	*Visit North America Seminar 2002 (Tourism)
Feb. 06-08, 2002	Zurich	iEX Internet Expo
Mar. 07-17, 2002	Geneva	International Motor Show
Mar. 14-21, 2002 Show	Basel	World Watch, Clock and Jewellery
Apr. 23-26, 2002	Lausanne	Computer Expo 2002
Apr. 23-26, 2002	Zurich	*WorldDidac 2002
May 01-05, 2002	Geneva	Intl. Exhibition of Inventions
May 21-23, 2002	Geneva	E.I.B.T.M. (Tourism)
Sep. 24-27, 2002	Basel	*Orbit/Comdex Europe 2002
Oct. 2002	Zurich	IFAS (Medical trade fair)